

# Cederberg Municipality

## Annual Report

2021/22



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**MAYOR'S MESSAGE**

It is with great pleasure to present to you the Annual Report of Cederberg Municipality for 2021/22. Management within local government has a significant role to play in strengthening the link between the citizen and governments overall priorities and spending plans. The goal is to enhance service delivery aimed at improving the quality of life for all people within Cederberg. The challenge is to do more with the available resources to achieve the developmental mandate as stipulated in the Constitution of South Africa. We need to remain focused on the effective delivery of core municipal services through the application of efficient and effective service delivery mechanisms.

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that sustainable municipal services are provided economically and equitably to all communities.

A financial plan was implemented at the Municipality which specifically focuses on cost containment measures and revenue enhancement. Turn-around strategies usually take about 3 years to reach their set goals. One also needs to take into account the current decline in the South African economy and Covid-19 of which Cederberg Municipality is not immune to.

Given the above was Management still able to improve on the following ratios:

- There was a slight increase in debtor's collections for 2021/22 of 90.08% in comparison with the prior year of 89.00%.
- The current assets to liabilities ratio increased slightly to 0.47:1 in comparison with 0.44:1 of the prior year.
- The average creditors' repayment days improved to 148 days in comparison with 187 days in the prior year.

With these improved ratios is management of the opinion that the implementation of the financial plan is effective, and Management will be able to reap the rewards of the said implementation within the next 1 to 2 years

The municipality's business and service delivery priorities were reviewed during the year and has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers

I thank the administration for managing in very difficult financial conditions, for steering the ship through difficult financial realities at Cederberg and for keeping their focus on our mandate. My word of appreciation to all those that's prepared to join forces with us to make Cederberg a better place for all.

**W. Farmer**

**Executive Mayor: Cederberg Municipality**

**MUNICIPAL MANAGER OVERVIEW**

The 2021/22 financial year was the last year of the 5-year term in office of the political and administrative leadership. Council must be applauded for their term at Cederberg, politically and administratively.

The Municipality managed to obtain the following audit outcomes from the Auditor-General for the past 5-year term:

- 2017/18 and 2018/19 unqualified without findings' (clean audit)
- 2019/20 unqualified with findings
- 2020/21 unqualified without findings (clean audit)
- 2021/22 an unqualified with findings 2021/22

These outcomes bear testimony to the efforts invested to good governance.

The 2021/22 Annual Report ends a long journey of constant introspection, changing of mind-sets and comfort zones, and continuous co-operation between Council executing its oversight role and the administrations pursuit of strategic and operational best practices.

The 2021/22 Annual Report is hereby submitted to Council and the broader Cederberg community with a realization that there are room for service delivery improvements, backlogs to be addressed and new turn around plans to be implemented.

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

Cederberg Municipality is under severe financial constraints. The Municipality's endeavor is to strictly adhere to the implementation of the approved budget funding plan to ensure the financial viability and economic sustainability of the Municipality. This, together with the Long-term Financial Strategy, forms the backbone of a strategy to improve our credit rating, create a climate conducive for investment and economic growth.

The revenue collection capacity within the finance division must be improved to achieve our revenue target to ensure financial sustainability. This is evident in the services receivable bad debt book which is compounded by tough economic conditions.

The Municipality has identified its top 5 risks and measures. The systems have been put in place to mitigate the negative consequences that might occur due to the identified risks. This is an ongoing process to achieve service excellence, likewise with all the other combined assurance matters and institutions.

Lastly, compliance with the King III Report remains an important function of the Municipality that seeks to continue promoting cooperative governance within all 3 spheres of government.

As Accounting Officer, I would like to convey a word of thanks to the Speaker, Executive Mayor, Deputy-Mayor, Mayoral Committee members and Councillors for their support under very difficult conditions.

A special word of thanks to my senior management, staff and our communities for their support and understanding of the challenges we face as a service-rendering organization.

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

**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 a participatory framework that defines and enhances the relationship between elected leaders and their communities. This requires that the Council of the Municipality provides regular and predictable reporting on programme performance and the general state of affairs in their locality.

The 2021/22 Annual Report reflects on the performance of the Cederberg Municipality for the period 1 July 2021 to 30 June 2022. 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 provide meaningful redress
- Unlocking opportunities for economic growth and development for community prosperity
- Ensure good governance, financial viability and sustainability
- Ensure sustainable, efficient and effective service delivery in an environmentally 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

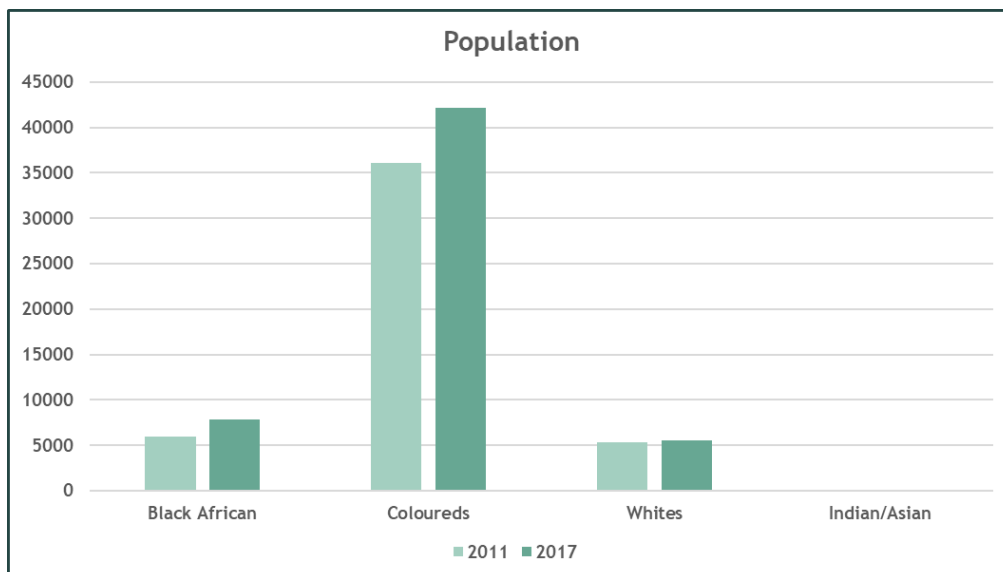
#### a) Total Population

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 km<sup>2</sup>, which constitutes 26% of the total area (31 119 km<sup>2</sup>) 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, Leipoldville, Wupperthal, Algeria, and the coastal towns of Elands Bay and Lamberts Bay. The Cederberg municipal area

is dissected 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 a 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 <sup>2</sup> )	8 007 km <sup>2</sup>
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

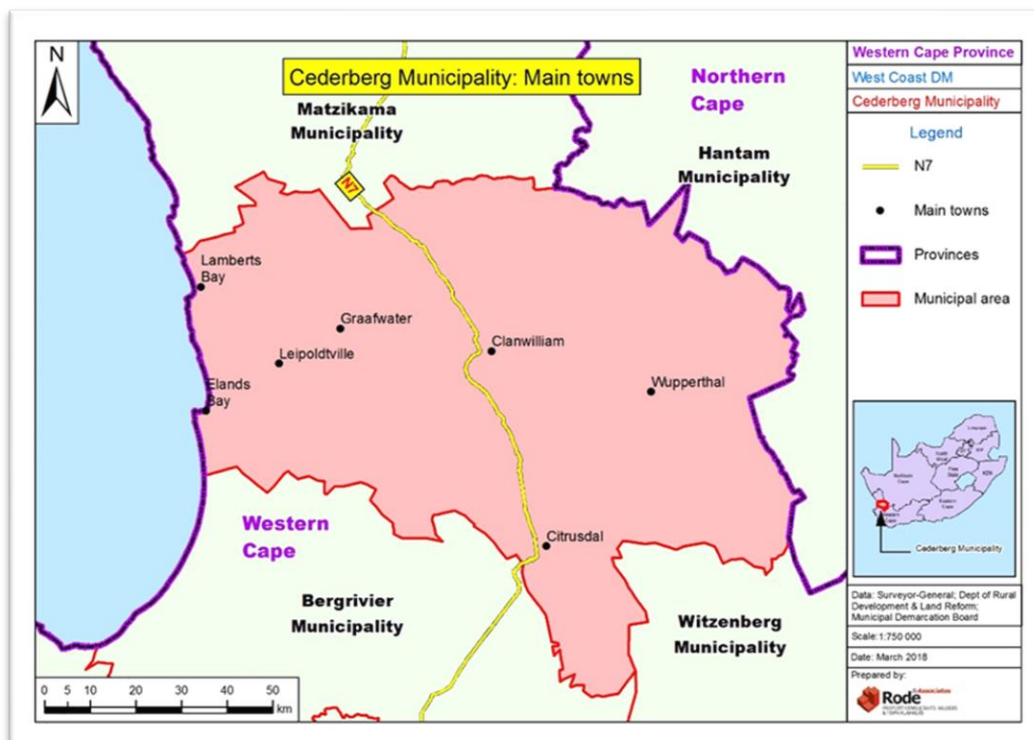
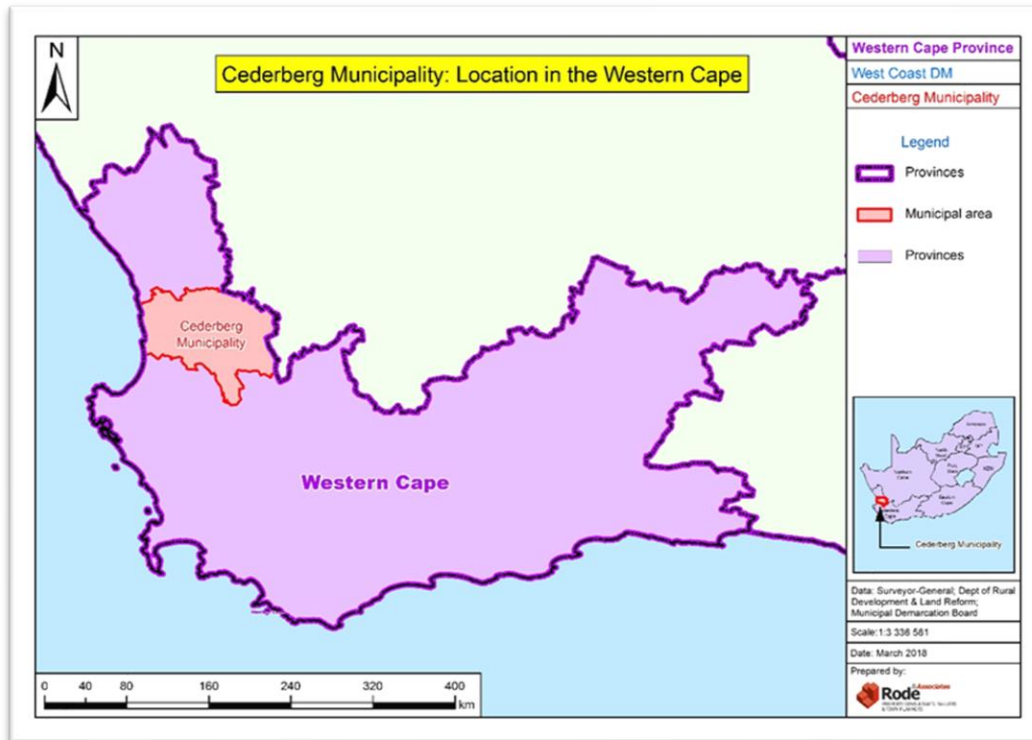
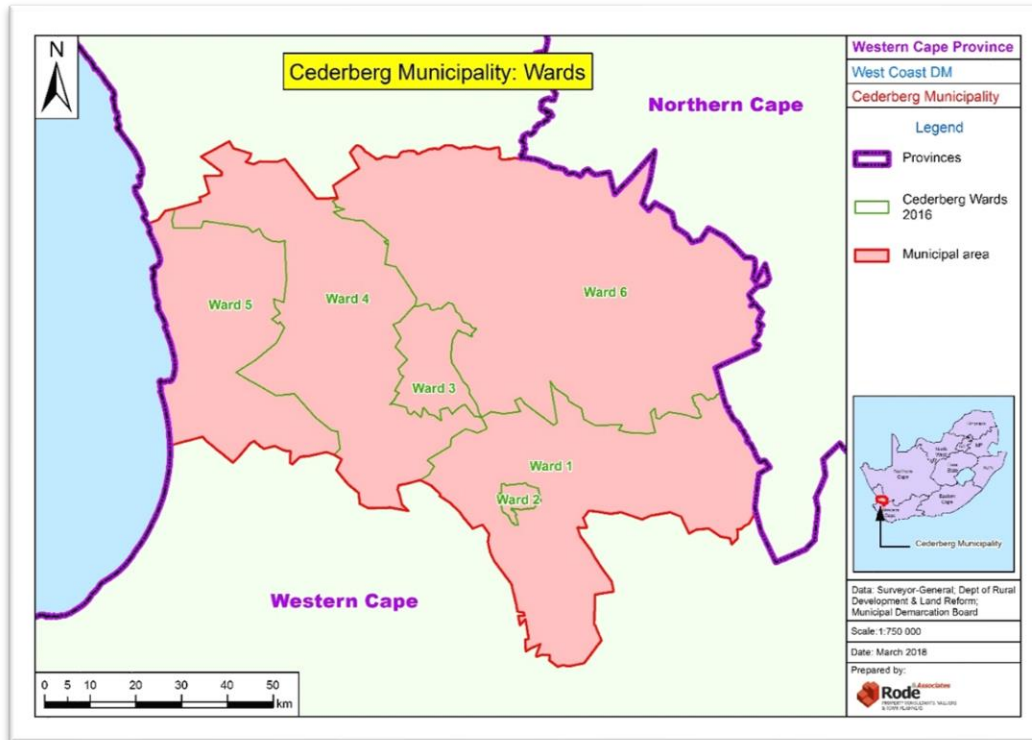


Figure 1: Cederberg Area Map

## 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, the size of the ward and population density.



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

Table 3: Municipal Wards

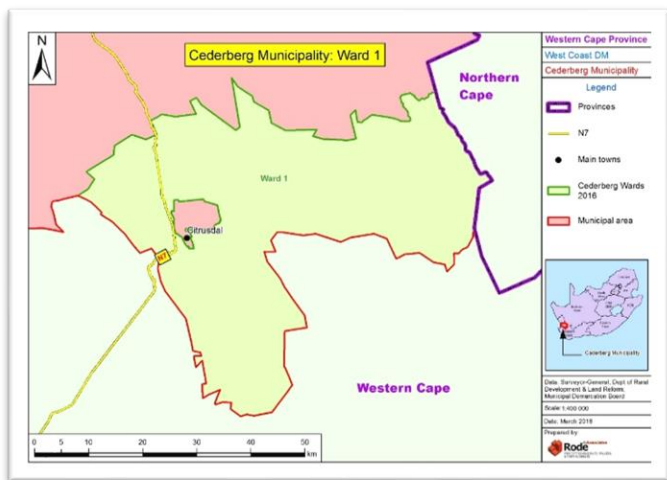


Figure 2: Ward 1

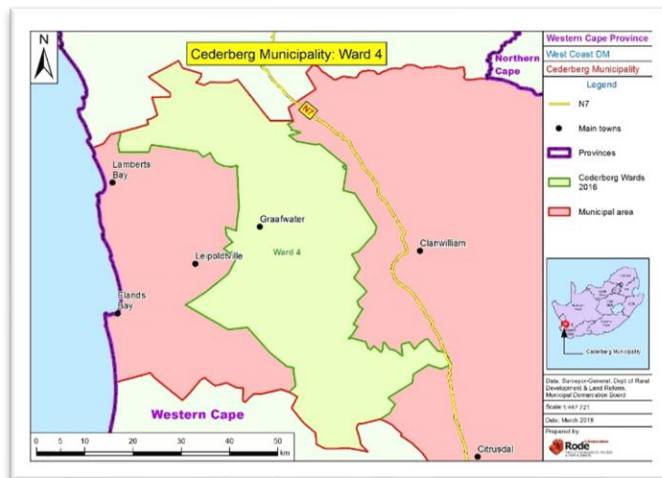


Figure 5: Ward 4

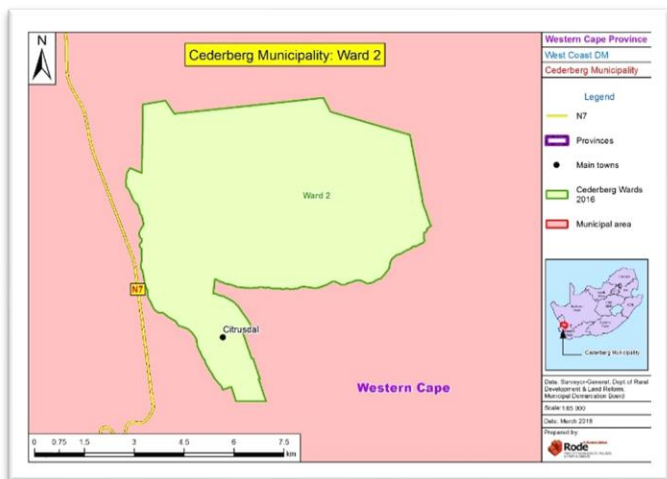


Figure 3: Ward 2



Figure 6: Ward 5

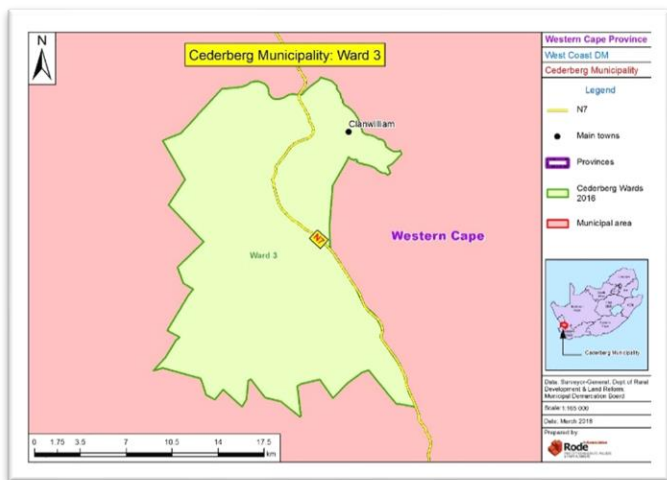


Figure 4: Ward 3

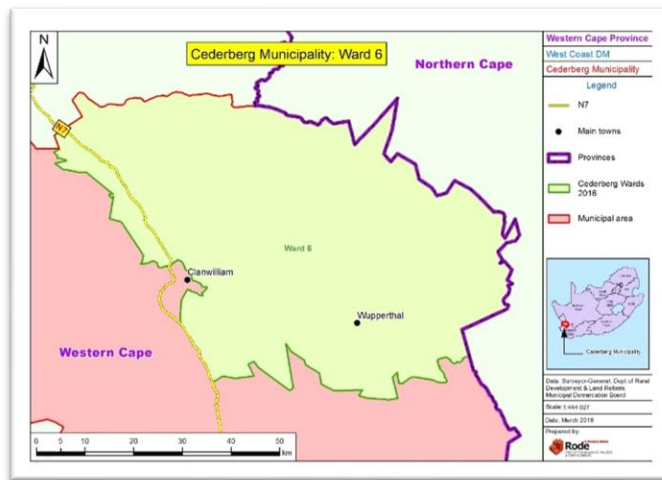


Figure 1: Ward 6

## 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 by abundant water resources. This town currently

fulfills the function of the 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 concerning 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 centre and holiday town that supplies mainly basic goods and services to its local inhabitants. The fishing industry forms the main economic base, but it is showing a declining trend as a consequence of the quota limitations on fishing for the local community. Agriculture, especially potato farming, makes a steady contribution to the economy. The town has also become known as one of the surfing

venues in the world. In 2009, Baboon Point was declared a Provincial Heritage Site due to its unique value and significance as the history of the Khoisan. The prominence of this point on the West Coast of South Africa, and the strong link to early evidence of Khoi and San interaction makes this area of national and international importance. To protect and use the site in a sustainable manner which can benefit Elands Bay and Cederberg community a conservation management plan is currently being developed. Heritage Western Cape, the provincial heritage resources authority and governing body responsible for the site is overseeing this process and has appointed Eco Africa Environmental Consultants.

### Graafwater



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

### Lamberts Bay

Lamberts Bay is a coastal town with its reason for existence linked to the fishing industry and the Harbour. The building of a processing factory for fishmeal, lobster packaging and potato chips led to



sound growth that makes a substantial contribution to the town's economic base. The greatest asset of the town is its impressive coastline and unique Bird Island, which is a favorite tourist destination.

### Wupperthal

This picturesque place has been a Moravian mission station since 1865. The village today consists of an old thatched Church, a store, and terraces of neat thatched-roofed little cottages. Excellent velskoene (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
Green Drop rating	The Municipality achieved a significant improvement in its Green Drop rating
INEP (Integrated National Electrification Programme)	A 100% funding commitment was received from The Department of Mineral Resources and Energy (DMRE)
New Skip Truck	The Municipality received a new skip truck from the national government which will have a positive impact on service delivery
Completion of 84 top structures in Lamberts Bay	84 Top structures were handed over to beneficiaries in Lamberts Bay
Completion of 90 top structures in Citrusdal	90 Top structures were handed over to beneficiaries in Citrusdal
Title Deeds Restoration Project	Under the Provincial Title Deeds Restoration Programme, Cederberg Municipality handed over 10 title deeds to first time homeowners and 89 sales agreements were signed
Military Veterans accommodated in IRDP Housing Projects: Lamberts Bay	Lamberts Bay Housing Project accommodated 3 Military Veterans in Cederberg
Improve the road surface in Citrusdal	Phase 4 road improvements care complete in Citrusdal. Construction work currently underway for Phase 5 of the roads project

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 the Department of Water and Sanitation (DWS)
The 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 investigating 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 drafted 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 the Cederberg municipal area	Initiate the introduction of interim sanitation services until a housing development is possible
Rural areas are without proper sanitation and require urgent interventions with regard 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, business plans requesting funding must be submitted to DWS
Insufficient bulk capacity in Clanwilliam	Construction of the overhead line will commence within 2022/23
Fires occurring at dumpsites	Develop an 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 bags to the community and the collection of refuse
Illegal dumping on road reserves	Awareness and cleaning campaigns should be conducted
The influx of illegal residents	<ul style="list-style-type: none"> <li>• Establishment of New Informal Settlement Committees.</li> <li>• Training and workshop with newly elected committee members</li> <li>• Community survey on needs and problems in the area</li> <li>• Re-blocking of informal settlement and updating of registry</li> <li>• Regular monitoring and control of informal settlements.</li> <li>• Appointment of Informal Settlement officer and EPWP fieldworkers</li> <li>• Creating a dialogue between government departments and Municipality to activate a strategic engagement with the community</li> </ul>
Insufficient bulk infrastructure	<ul style="list-style-type: none"> <li>• Housing Consumer Education to maintain our existing infrastructure</li> </ul> <p>Working closely with the technical team and PMU in understanding our bulk infrastructure challenges</p>



Challenges	Actions to address
Backlog of title deeds	<ul style="list-style-type: none"> <li>• Door-to-door investigation of issues or cases</li> <li>• Report cases to Council for discussion and resolution</li> <li>• Quarterly report to Provincial Steering Committee on challenges and victories</li> </ul>
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 2022/23 financial year to upgrade roads
Roads identify during IPD sessions in all towns	Municipality in financial constraints. Municipality need to apply for funding to reconstruct roads

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	
	2020/21	2021/22
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	5 816	6 072
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	7 950	8 179
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	4 854	5 074
Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June 2022	5 735	5 948

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
Data Cleansing	With the assistance of Ahkile, municipal accounts were reviewed and verified for accuracy
Revenue enhancement	With the assistance of PWC, a lot of extra revenue has been identified and has already been billed

Table 8: Financial Viability Highlights

### 1.4.2 Financial Viability Challenges

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

Challenges	Action to address
Implementing Municipal Standard Chart of Accounts (mSCOA)	Continuous challenges for the Municipality and service providers to integrate programmes and work streams. An action and project plan were compiled and closely adhered to
Increase in the 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
Unfunded budget	Provincial Treasury assessed that the budget is unfunded and the amended budget funding plan is to be tabled to Council

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	2020/21	2021/22
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.40	0.22

KPA & Indicator	Basis of Calculation	2020/21	2021/22
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.66	0.55
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	44.07	67.92

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

#### 1.4.4 Financial Overview

The table below indicates the financial overview for the year:

Details	Original budget	Adjustment Budget	Actual
	R'000		
<b>Income</b>			
Grants	122 165	158 408	141 665
Taxes, Levies and tariffs	220 538	222 423	224 717
Other	35 881	30 035	28 188
<b>Sub Total</b>	<b>378 584</b>	<b>410 866</b>	<b>394 570</b>
Less Expenditure	363 736	405 213	384 866
<b>Net surplus/(deficit)</b>	<b>14 848</b>	<b>5 653</b>	<b>9 704</b>

Table 11: Financial Overview

#### 1.4.1 Total Capital Expenditure

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

Detail	2020/21	2021/22
	R'000	
Original Budget	66 219	51 262
Adjustment Budget	45 731	77 658
Actual	44 451	53 247
<b>% Spent</b>	<b>97.20%</b>	<b>68.57%</b>

Table 12: Total Capital Expenditure

## 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 its financial statements to the Auditor-General, which can be simply defined as follow:

- **A clean audit:** The financial statements are free from material misstatements and there are no material findings on reporting on predetermined objectives or non-compliance with legislation.
- **Unqualified audit with findings:** The financial statements contain material misstatements. Unless we express a clean audit come, findings have been raised on either reporting on predetermined objectives or non-compliance with legislation, or both these aspects.
- **Qualified audit opinion:** The financial statements contain material misstatements in specific amounts, or these insufficient 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 the 2020/21 and 2021/22 financial years:

Year	2019/20	2020/21	2021/22
<b>Opinion received</b>	Unqualified with findings	Unqualified without findings	Unqualified with findings

Table 13: Opinion Received

## 1.6 2021/22 IDP/BUDGET PROCESS

The table below provides details of the 2021/22 IDP/Budget process:

No	Activity	Responsible person	Date
<b>Pre-Budgeting Processes/Tasks</b>			
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 2020
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 2020
3	Submit monthly report on the budget for period ending 30 June 2020 within 10 working days to the Executive Mayor	Manager Budget	14 July 2020
4	Submit the Draft IDP/PMS/BUDGET Process Plan to Mayoral Committee	IDP/PMS	16 July 2020
5	2019/2020 4 <sup>th</sup> Quarter Performance (Section 52) Report tabled to Council	IDP/PMS	31 August 2020
6	Submit monthly report on the budget for period ending 31 July 2020 within 10 working days to the Executive Mayor	Manager Budget	14 August 2020
7	Table Final IDP/PMS/BUDGET Time Schedule to Council for approval	IDP/PMS	31 August 2020
8	Table Annual Performance Report and Annual Financial Statements to Council	IDP/PMS/CFO	31 August 2020
9	Submit the Annual Performance Report and Annual Financial Statements to the Auditor General	IDP/PMS/ CFO	31 August 2020
10	Submit IDP/Budget key deadlines to provincial government and West Coast District Municipality	IDP/PMS	1 September 2020
11	Advertisement of IDP/PMS/BUDGET Time Schedule on website/local newspaper/notice boards	IDP/PMS	7 September 2020
12	Make public the 4 <sup>th</sup> Quarter 2019/2020 Performance Report	IDP/PMS	7 September 2020
13	Submit the 4 <sup>th</sup> Quarter Performance Report to Provincial Treasury, National Treasury and Department of Local Government	IDP/PMS	7 September 2020
14	Provincial IDP Managers Forum	IDP/PMS	10-11 September 2020
15	Submit monthly report on the budget for period ending 31 August 2020 within 10 working days to Executive Mayor	Manager Budget	14 September 2020
16	Performance Evaluations of Senior Managers	IDP/PMS	22 September 2020
17	IDP Meetings with Ward Committees	IDP/PMS	11-30 September 2020
18	Submit 1 <sup>st</sup> Quarter Performance Report (Section 52) to Mayoral Committee	IDP/PMS	15 October 2020
19	Submit monthly report on the budget for period ending 30 September 2020 within 10 working days to the Executive Mayor	Manager Budget	14 October 2020
20	Make public the 1 <sup>st</sup> Quarter Performance Report	IDP/PMS	6 November 2020
21	Submit the 1 <sup>st</sup> Quarter Performance Report to Provincial Treasury, National Treasury and Department of Local Government	IDP/PMS	6 November 2020

No	Activity	Responsible person	Date
22	Submit monthly report on the budget for period ending 31 October 2020 within 10 working days to the Executive Mayor	Manager Budget	13 November 2020
23	Provincial IDP Managers Forum	IDP/PMS	3-4 December 2020
24	Submit Monthly Report on the Budget for period ending 30 November 2020 within 10 working days to Executive Mayor	Manager Budget	14 December 2020
25	Submit Monthly Report on the budget for period ending 31 December 2020 within 10 working days to the Executive Mayor	Manager Budget	14 January 2021
26	Submit Mid-Year Performance Assessment Report to Executive mayor	IDP/PMS	25 January 2021
27	Submit Mid-Year Budget Assessment to Executive mayor	CFO	25 January 2021
28	Submit 2 <sup>nd</sup> Quarter Performance Report to Council	IDP/PMS	28 January 2021
29	Table Draft Annual Report 2019/2020 to Council	Municipal Manager	28 January 2021
30	Submit Mid-Year Budget & Performance Report to Council	IDP/PMS & CFO	28 January 2021
31	Submit Mid-Year Budget and Performance Report to Provincial Treasury, National Treasury and Department of Local Government	Municipal Manager	29 January 2021
32	Submit 2 <sup>nd</sup> Quarter Performance Report to Provincial Treasury, National Treasury and Department of Local Government	IDP/PMS	29 January 2021
33	Make Public the Annual Report for public comments	IDP/PMS	8 February 2021
34	Make Public the Mid-Year Budget and Performance Report	Municipal Manager	8 February 2021
35	Make Public the 2 <sup>nd</sup> Quarter Performance Report	IDP/PMS	8 February 2021
36	Mid-Year Performance Evaluations Senior Managers	Municipal Manager	9 February 2021
37	Submit monthly report on the budget for period ending 31 January 2021 within 10 working days to the Executive Mayor	Manager Budget	12 February 2021
38	Council considers and adopts 2020/2021 Adjustment Budget and potential revised 2020/21 SDBIP	Municipal Manager	25 February 2021
39	Advertise the approved 2020/2021 Adjustment Budget and submit budget and B Schedule to National Treasury as required per legislation (within 10 working days)	Municipal Manager	11 March 2021
40	Provincial IDP Managers Forum Meeting	IDP/PMS	4-5 March 2021
41	Submit monthly report on the budget for period ending 28 February 2021 within 10 working days to Executive Mayor	Manager Budget	12 March 2021
42	Budget Steering Committee Meeting	CFO	23 March 2021
43	Table Draft IDP/Budget/SDBIP to Council	Municipal Manager	31 March 2021
44	Table Oversight Report to Council	Municipal Manager	31 March 2021
45	Submit the draft IDP/SDBIP and budget to Department of Local Government, National, Provincial Treasury and West Coast District Municipality	IDP/PMS	1 April 2021
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	1 April 2021
47	Make public the Oversight Report within 7 days of adoption (MFMA Sec 129)	IDP/PMS	9 April 2021

No	Activity	Responsible person	Date
48	Submit the Annual Report and Oversight Report to the Provincial Legislature as per circular (MFMA-Sec 132)	IDP/PMS	9 April 2021
49	Submit monthly report on the budget for period ending 31 March 2021 within 10 working days to the Executive Mayor	Manager Budget	14 April 2021
50	Community Roadshow to consult the Draft IDP, SDBIP and Budget	IDP/PMS	13-30 April 2021
51	Closing of comments and representations on the Draft IDP and Budget	IDP/PMS	7 May 2021
52	Submit monthly report on the budget for period ending 30 April 2021 within 10 working days to the Executive Mayor	Manager Budget	14 May 2021
53	Budget Steering Committee Meeting	CFO	14 May 2021
54	Mayco meeting to approve Revised IDP and the budget (at least 30 days before the start of the budget year)	Municipal Manager	13 May 2021
55	Submit 3 <sup>rd</sup> Quarter Performance Report to Council	IDP/PMS	31 May 2021
56	Council to adopt Revised IDP and the budget (at least 30 days before the start of the budget year)	Municipal Manager	31 May 2021
57	Provincial IDP Managers Forum Meeting	IDP/PMS	3-4 June 2021
58	Make Public the 3 <sup>rd</sup> Quarter Performance Report	IDP/PMS	4 June 2021
59	Place the IDP, multi-year budget, all budget-related documents and all budget-related policies on the website	IDP/PMS CFO	4 June 2021
60	Submit a copy of the revised IDP to MEC for LG (within 10 days of the adoption of the plan)	IDP/PMS	10 June 2021
61	Submit approved budget to National and Provincial Treasuries (both printed and electronic formats)	CFO	10 June 2021
62	Submit a copy of the revised IDP to West Coast District Municipality	IDP/PMS	10 June 2021
63	Submit the 3 <sup>rd</sup> Quarter Performance Report to Provincial Treasury, National Treasury and Department of Local Government	IDP/PMS	10 June 2021
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	10 June 2021
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	14 June 2021
66	Submit monthly report on the budget for period ending 31 May 2021 within 10 working days to the Executive Mayor	Manager Budget	14 June 2021
67	Executive Mayor takes all reasonable steps to ensure that SDBIP is approved (within 28 days after approval of budget)	Municipal Manager	28 June 2021
68	Place Performance agreements on the website	IDP/PMS	28 June 2021
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	28 July 2021
70	Submit the SDBIP to the National and Provincial Treasury within 10 working days of the approval of the plan	IDP& PMS	9 July 2021

No	Activity	Responsible person	Date
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	9 July 2021
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	9 July 2021
<b>Community Participation Process</b>			
78	Community Participation Process took Place During April 2021	All Wards	April 2021
<b>Budget Preparatory Process</b>			
79	IDP and Budget Process plan 2021/22 approved by Council	Executive Mayor	31 August 2021
<b>Budgetary Policies</b>			
80	<ul style="list-style-type: none"> <li>➤ Absenteeism Desertion Policy</li> <li>➤ Asset Management Policy</li> <li>➤ CED RM Strategy 1</li> <li>➤ Cederberg Mun Accounting Policy 2021-2022</li> <li>➤ Cederberg Mun Borrowing Policy 2021-2022</li> <li>➤ Cederberg Mun Budget Policy 2021-2022</li> <li>➤ Cederberg Mun Cash Management and Investment Policy 2021-2022</li> <li>➤ Cederberg Mun Customer Care, Credit Control, Debt Collection, Indigent and Tampering Policy 2021-2022</li> <li>➤ Cederberg Mun Funding and Reserve Policy 2021-2022</li> <li>➤ Cederberg Mun Liquidity Policy 2021-2022</li> <li>➤ Cederberg Mun Property Rates Policy 2021-2022</li> <li>➤ Cederberg Mun Tariff Policy 2021-2022</li> <li>➤ Cederberg Mun Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy 2021-2022</li> <li>➤ Cederberg Mun Virement Policy 2021-2022</li> <li>➤ Cederberg Municipality Consequence Management FWK and SOP</li> <li>➤ Cederberg Municipality Cost Containment Policy</li> <li>➤ Cederberg RM Policy</li> <li>➤ Circular No 01-2018 Disciplinary Procedure Collective Agreement</li> <li>➤ Code of Ethic Policy</li> <li>➤ Consumer Service Charter - Cederberg LM</li> <li>➤ Customer Care Improvement Policy</li> <li>➤ D6 - Smoking Policy</li> <li>➤ Education Training and Development Policy</li> <li>➤ Employment Equity Plan - Cederberg Municipality 2018-2023</li> <li>➤ Employment Equity Policy</li> <li>➤ Enterprise Risk Management</li> <li>➤ Enterprise Risk Management Strategy</li> <li>➤ EPWP Policy</li> <li>➤ Finance Management Internship Policy 2019</li> <li>➤ Fleet Management Policy</li> <li>➤ Fraud and Corruption Prevention Policy</li> <li>➤ Fraud and Corruption Prevention Strategy</li> <li>➤ Free Basic Energy Policy Guidelines</li> <li>➤ Grants-in-Aid Policy</li> <li>➤ HIV and AIDS Workplace Policy</li> <li>➤ ICT Data Backup and Recovery Policy</li> <li>➤ ICT Disaster Recovery Policy</li> <li>➤ ICT Operating System Security Controls Policy</li> <li>➤ ICT Security Controls Policy</li> <li>➤ ICT User Access Management Policy</li> </ul>	Executive Mayor	31 May 2021



No	Activity	Responsible person	Date
	<ul style="list-style-type: none"> <li>➤ Insurance Management Policy</li> <li>➤ Kollektiewe ooreenkoms rakende Dissiplinêre Prosedure</li> <li>➤ Long-Term Financial Plan Policy</li> <li>➤ Municipal Corporate Governance of ICT - Cederberg</li> <li>➤ Municipal Social Media Policy</li> <li>➤ Municipal Property Rates By-Law Reviewed</li> <li>➤ Oortyd, Bystand en Gepaardgaande Vergoeding</li> <li>➤ Petty Cash Policy</li> <li>➤ PMS Framework Cederberg Municipality</li> <li>➤ Policy Regarding Capital Contributions for Bulk Services</li> <li>➤ PPE Procedure</li> <li>➤ Relocation Policy</li> <li>➤ Revenue Enhancement Policy 2019</li> <li>➤ Risk and Ethics Management Committee Terms of Reference</li> <li>➤ Risk Management Appetite Framework</li> <li>➤ Risk Management Assessment Methodology</li> <li>➤ Risk Management Register</li> <li>➤ Risk Management Committee Charter</li> <li>➤ Sexual Harassment Policy</li> <li>➤ Special Rating Areas Policy</li> <li>➤ Study Aid Policy</li> <li>➤ Study Bursary Policy</li> <li>➤ Substance Abuse Policy</li> <li>➤ Supply Chain Management Policy</li> <li>➤ Travel and Subsistence Policy</li> <li>➤ Watermeter Vervangingsbeleid</li> <li>➤ Whistle Blowing Policy</li> </ul>		
<b>Tabling of Budget</b>			
81	Annual Report 2020/21 approved	Executive Mayor	31 March 2022
82	Draft Budget approved by Council & Draft IDP 2021/22 approved	Executive Mayor	31 March 2021
83	Final Budget approved by Council	Executive Mayor	31 May 2021
<b>Finalising</b>			
84	Oversight Report with Annual report 2020/21 approved by Council	Executive Mayor	5 May 2022

Table 14: 2021/22 IDP/Budget Process

**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	2021/22
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 2022	92.90%	62.02%

Table 15: 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
Appointment of the Municipal Manager	The Municipal Manager for Cederberg Municipality was appointed in March 2022
Election of new Council	The new Council for Cederberg Municipality was elected in November 2021 after the local government elections
Skills Development	A new intake of employees started on the Municipal Minimum Competency programme at the Stellenbosch University's School of Public Leadership (SPL)
Local Government Municipal Staff Regulations	The Human Resources (HR) Department developed policies and started a drive to create awareness among employees regarding the implications of the new legislation on HR

Highlights	Description
	processes. Consultation with the Local Labour Forum and senior management is complete and a readiness review is in progress regarding the implementation of the regulations
Legal support to officials across the respective directorates / sections within the organisation and assistance to legal practitioners in the private sector and local government sector as well as national departments	Legal instruments in respect of lease agreements, memorandum of understanding (MOU's), legal case law commentary, constitutional and High court judgements, By-Laws, Bulk Infrastructure Contribution Levies (BICL) agreements etc
Strong legal empowerment skills transfer to officials in their respective units/sections with relevant topical issues in their fields	Assist colleagues with legal interpretation of general contractual issues, interpretation of statutes, legal contractual clauses, legal writing etc
Keeping officials abreast with relevant Court cases and legal commentary in relation to current topical issues in Local Government challenges	Relevant legal related commentary pertains to relevant case law, current legal topics etc

Table 16: 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
Transportation of employees for training	Transportation remains a challenge to get employees to learning centres
Budgetary constraints	Budgetary constraints hamper the implementation of training programmes in a single financial year due to the rise in training cost
Absenteeism	Absenteeism remains the number one form of misconduct, due to substance abuse
Employee wellness	The health of employees and their low morale must be addressed in order to improve their quality of life and service delivery

Table 17: 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 of 6 ward councillors and 5 proportional representation councillors. The portfolio committees are made up of councillors drawn from all political parties. Below is a table that categorised the councillors within their specific political parties and wards up until the Municipal Elections of 1 November 2021

Name of Councillor	Capacity	Political Party	Ward representing or proportional
Nosiphiwo Qunta	Executive Mayor	ANC	Proportional
Lorna Scheepers	Deputy Executive Mayor	ANC	Proportional
Maxwell Heins	Mayoral committee Member	ANC	Ward 3
Francois Kamfer	Mayoral Committee Member	ANC	Proportional
Paulus Strauss	Speaker	ANC	Ward 4
William Farmer	Ward Councillor	DA	Ward 5
Rhoda Witbooi	Ward Councillor	DA	Ward 6
Raymond Pretorius	Ward Councillor	DA	Ward 2
Vacant - Jan Meyer	Ward Councillor	DA	Ward 1
Evelyn Majikijela	Councillor	ANC	Proportional
Francina Sokuyeka	Chairperson of MPAC	ANC	Proportional

Table 18: Council 2021/22 (Pre-Election)

Below is a table that categorised the councillors within their specific political parties and wards following the Municipal Elections of 1 November 2021

Name of Councillor	Capacity	Political Party	Ward representing or proportional
William Farmer	Speaker	DA	Ward 5
Ruben Richards	Executive Mayor	CE	Proportional
Johan Van Heerden	Deputy Executive Mayor	FF+	Proportional
Thomas Waldeck	Mayoral Committee Member	CE	Ward 6
Martin Bergh	Mayoral Committee Member	CE	Proportional
Rhoda Witbooi	Member of MPAC	DA	Proportional
Wentzel Van Neel	Chairperson of MPAC	PA	Proportional
Azrial Scheepers	Ward Councillor	ANC	Ward 1
Maxwell Heins	Ward Councillor	ANC	Ward 3
Francois Kamfer	Ward Councillor	ANC	Ward 2
Paulus Strauss	Ward Councillor	ANC	Ward 4

Table 19: Council 2021/22 (Post Election)

**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, 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 up until the Municipal Elections of 1 November 2021 are listed in the table below:

Name of member	Capacity
Nosiphiwo Qunta	Executive Mayor
Francois Kamfer	Member of Mayoral Committee
Maxwell Heins	Member of Mayoral Committee

Table 20: Executive Committee 2021/22 (Pre-Election)

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

Name of member	Capacity
Ruben Richards	Executive Mayor
Johan Van Heerden	Deputy Executive Mayor
Martin Bergh	Member of Mayoral Committee
Thomas Waldeck	Member of Mayoral Committee

Table 21: Executive Committee 2021/22 (Post Election)

**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 2021 until 1 November 2021 were as follow:

<b>Support Services Committee</b>	
<b>Chairperson</b>	<b>Other members</b>
Nosiphiwo Qunta	Maxwell Heins
	Rhoda Witbooi
<b>Community Development and Protection Services Committee</b>	
<b>Chairperson</b>	<b>Other members</b>
Francois Kamfer	Evelyn Majikijela
	Councillor deceased – position not filled
<b>Municipal Public Accounts Committee</b>	
<b>Chairperson</b>	<b>Other members</b>
Evelyn Majikijela	Francina Sokuyeka
<b>Technical Services Committee</b>	
<b>Chairperson</b>	<b>Other members</b>
Maxwell Heins	Lorna Scheepers
	Raymond Pretorius

Table 22: Portfolio Committees (Pre-Election)

The portfolio committees for the period 1 November 2021 until 30 June 2022 were as follows:

<b>Support Services Committee</b>	
<b>Chairperson</b>	<b>Other members</b>
Johan Van Heerden	Azrial Scheepers
	Rhoda Witbooi
<b>Community Development and Protection Services Committee</b>	
<b>Chairperson</b>	<b>Other members</b>
Thomas Waldeck	Francois Kamfer
	Johan Van Heerden
<b>Municipal Public Accounts Committee</b>	
<b>Chairperson</b>	<b>Other members</b>
Wentzel Van Neel	Rhoda Witbooi
	Azrial Scheepers
<b>Technical Services Committee</b>	
<b>Chairperson</b>	<b>Other members</b>
Martin Bergh	Thomas Waldeck
	Maxwell Heins

Table 23: Portfolio Committees (Post Election)

**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 administering 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 exercises 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 office 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 constitute the Management Team.

Council approved an organisational structure on 21 December 2020 and the Management Team and directorates were as follows:

Name of Official	Position
Mr D Adonis	Municipal Manager
Vacant	Chief Financial Officer
Mr A Allison	Director: Technical Services
Mr A Titus	Acting Director: Support Services (Corporate & Community Services)

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, adhere 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	A 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



Name of Structure	Members	Outcomes of Engagements/Topics Discussed
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)	An 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
Provincial Treasury	Municipality	Municipalities
National Treasury	Municipality	Municipalities

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 a 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	Department of Water & Sanitation (DWS), Department of Agriculture

Name of Project/ Function	Expected Outcome/s of the Project	Sector Department/s involved
	initiatives to promote local economic development	
National Rural Youth Service Corps (Narysec)	Recruit young people from Cederberg to take part in the 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 the 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)
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 the Department of Water Affairs (DWA)	Municipalities in Province, DWA
Human settlement (IGR)	DOH, DHA, DPLG, Cederberg Municipality	Sharing best practices
RBIC Grant	Coordination	Municipalities in Province, DWA
EPWP Grant	Coordination	Municipalities in Province, DWA
Coastal Management IGR	Coastal Management (red tide)	WCDM, DFFE, WC government and Cederberg Municipality

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, participates in development planning processes, and facilitates 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. Ward Committees established following the municipal election of 1 November 2021 are as follow:

##### a) **Ward 1: Citrusdal (Farms)**

Name of representative	Capacity representing
Kayrin Dirks	Youth and Sport Development
Maria Boois	Geographical
Hester Muller	Woman and Elderly
Jacqueline Roman	Geographical
Lea Fortuin	Social Development
Abraham Snyers	Small Scale Farmers
Melvin Bezuidenhout	Tourism and entrepreneurship
Gert Bezuidenhout	Geographical
Samiel Hugo	Safety
Salmon Daniels	Geographical

Table 27: Ward 1: Committee Members

**b) Ward 2: Citrusdal (Town Area)**

Name of representative	Capacity representing
Christiaan Oerson	NPO
Clifton Pedro	Sport
Thulani Mboto	Faith
Anna Skippers	Schools
Mojalefa Ramolahlehi	Safety
Shamonielle Tities	Youth
Jacob Davids	Health
Terence Malando	Geographical
Annalize Mdabuli	ECD
Nompumelelo Fiki	Woman

Table 28: Ward 2: Committee Members

**c) Ward 3: Clanwilliam**

Name of representative	Capacity representing
Jan Oosthuizen	Safety
Gerda De Wet	Tourism
Johanna Mouton	Faith
Niklaas Crosney	Sport
Laurica Zinri	ECD
Wilfred Meyer	Small Scale Farmers
Angelina Makinana	Geographical
Nothemba Kilo	Youth
Ilse Lochner	Business Chamber
Katrina White	Women, Elderly and Disabled

Table 29: Ward 3: Committee Members

**d) Ward 4: Graafwater and Elands Bay**

Name of representative	Capacity representing
Hendrina Kuier	NPO
Washiela Douries	NPO
Jakobus Van Der Westhuizen	Sport
Francis Damon	Social Development
Mbali Mdaweni	Women in Small Business
Thelma Majikijela	CWP Community Garden
Evelyn Makilijela	Religion

Name of representative	Capacity representing
Sara Strauss	ECD
Paul Taylor	Sport

Table 30: Ward 4: Committee Members

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

Name of representative	Capacity representing
Joos Engelbrecht	Tourism
Elzette Manailov	Small Business
Henry Arangie	Safety
Micheal Van Der Horst	Sport
Patrick Schalk	Arts and Culture
Micheal Swartz	Social Development
Jeff Schalk	Health
Elisma Daniels	SME Development
Ashley Engelbrecht	Community safety
Peter- Dawn Foentjies	Sport and Recreation

Table 31: Ward 5: Committee Members

**f) Ward 6: Wupperthal, Algeria and Paleisheuvel**

Name of representative	Capacity representing
Lezaan Farmer	Geographical
Jacobus Adonis	Geographical
Brendon Hector	Geographical
Reagen Koopman	Geographical
Wilmaine Fabrick	Geographical
Milton Fortuin	Geographical
Henry Zaandro	Geographical
Beulah Engelbrecht	Geographical
Anthony Abels	Geographical
Petrus Hanekom	Geographical

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 2021/22 financial year:

Name of representative	Capacity
Councillor Ruben Richards	Chairperson
Councillor Johan van der Heerden	Member
Dawid Adonis	Municipal Manager
Andries Titus	Director: Support Services
Alonzo Allison	Director: Technical Services
Erika Visser	Acting Chief Financial Officer
Zukile Xhoma	SAMWU Shop Steward
Dinah Saiet	SAMWU Shop Steward
Aletta Meyer	SAMWU Shop Steward
Enrico Sampson	IMATU Shop Steward
Rodney Foentjies	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
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 the 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 includes 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 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"> <li>• Relocation of informal settlements</li> <li>• Funds received from the Department of Human Settlements</li> </ul>	Strategic Risk	Below risk appetite	Integrated Development Service

Risk	Current Controls	Risk Type	Residual Risk Exposure	Risk Owner
Loss of income and/or legal fines for the non-compliance of landfill sites in the region	<ul style="list-style-type: none"> <li>Establish Intern Municipal Cooperation Forum</li> <li>Memorandum of agreement between municipalities and the district</li> </ul>	Strategic Risk	Below risk appetite	Technical Service Manager PMU
WWTW is overloaded and generates poor risky sewer final effluent	Desludging of oxidation ponds	Strategic Risk	Below risk appetite	Technical Service Manager PMU
Cost of compliance, under-funded mandates and insufficient equitable share	Legal instruments such 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"> <li>Water restrictions</li> <li>Water awareness campaigns</li> <li>Implementation of the draft tariff structure</li> </ul>	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 the 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 reports 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	12 October 2022
Fraud and Corruption Prevention Strategy	Yes	12 October 2022

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. The position been not filled yet. The OHS Officer is responsible for Risk Management until the position is advertised and filled
Whistle Blowing Policy	Inadequate risk management capacity	The Internal Audit Department oversees the whistle blowing hotline. The incidence reporting register/database is in place

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 has 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 the 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	Chairperson
Charles Beukes	Member
Omphile Sehunelo	Member

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.

### 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	Chairperson
Charles Beukes	Member
Omphile Sehunelo	Member

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 compliance with 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 the 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

Topic	Target Groups
Social Relief Grant	For vulnerable households, generally indigent households' assistance is 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
Municipal Outreach: Public Relations campaign	Schools, informal settlements, targeted groups
Load shedding effects	Communities
Vandalism	Community groups

Table 41: Awareness Campaigns

### Additional Communication Channels Utilised

Channel	Yes/No
SMS system	Yes
Call system and WhatsApp	Yes
Facebook	Yes
WhatsApp Groups	Yes
IGR Forums/Engagements	Yes
Joint Operations Centre Meetings	Yes
Municipal Website	Yes
Local Radio	Yes
Ward committees	Yes

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.

The table below indicates the information and documents that are published on our website.

Description of information and/or document	Yes/No
<b>Municipal contact details (Section 14 of the Promotion of Access to Information Act)</b>	
Full Council details	Yes
Contact details of the Municipal Manager	Yes
Contact details of the CFO	Yes
Physical address of the Municipality	Yes
Postal address of the Municipality	Yes
<b>Financial Information (Sections 53, 75, 79 and 81(1) of the MFMA)</b>	
Draft Budget 2021/22	Yes
Adjusted Budget 2021/22	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 2021/22	Yes
Budget and Treasury Office Structure	No
<b>IDP and Public Participation (Section 25(4)(b) of the MSA and Section 21(1)(b) of the MFMA)</b>	
Reviewed IDP for 2021/22	Yes
IDP Process Plan for 2021/22	Yes
<b>Supply Chain Management (Sections 14(2), 33, 37 &amp; 75(1)(e) &amp; (f) and 120(6)(b) of the MFMA and Section 18(a) of the National SCM Regulation)</b>	
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
<b>Reports (Sections 52(d), 71, 72 &amp; 75(1)(c) and 129(3) of the MFMA)</b>	
Annual Report of 2020/21	Yes
Oversight reports	Yes
Mid-year budget and performance assessment	Yes
Quarterly Reports	Yes
Monthly Budget Statement	Yes
<b>Local Economic Development (Section 26(c) of the MSA)</b>	

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

Table 43: Website Checklist

## CHAPTER 3

This chapter provides an overview of the key service achievements of the Municipality that came to fruition during 2021/22 in terms of the deliverables achieved compared to the key performance objectives and indicators in the IDP.

### 3.1 OVERVIEW OF PERFORMANCE WITHIN ORGANISATION

Performance managements 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 the 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 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**

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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**

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Strategic performance indicates how well the Municipality is meeting its objectives and which policies and processing are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical. Municipalities must develop strategic plans and allocate resources for 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 2021/22

#### a) **Adoption of a Performance Management Framework**

The Municipality's performance framework was approved by Council on 31 May 2020.

#### b) **The IDP and the Budget**

The reviewed IDP for 2021/22 and the budget for 2021/22 were approved by Council on 31 May 2021. 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 the 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 14 June 2021. The Top Layer SDBIP was revised with the Adjustment Budget in terms of Section 26(2)(c) of the Municipal Budget and Reporting Regulations and an adjusted Top Layer SDBIP was approved by the Council on 28 February 2022.

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

The municipal scorecard (Top Layer SDBIP) consolidates 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 is broken down by ward over three years

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

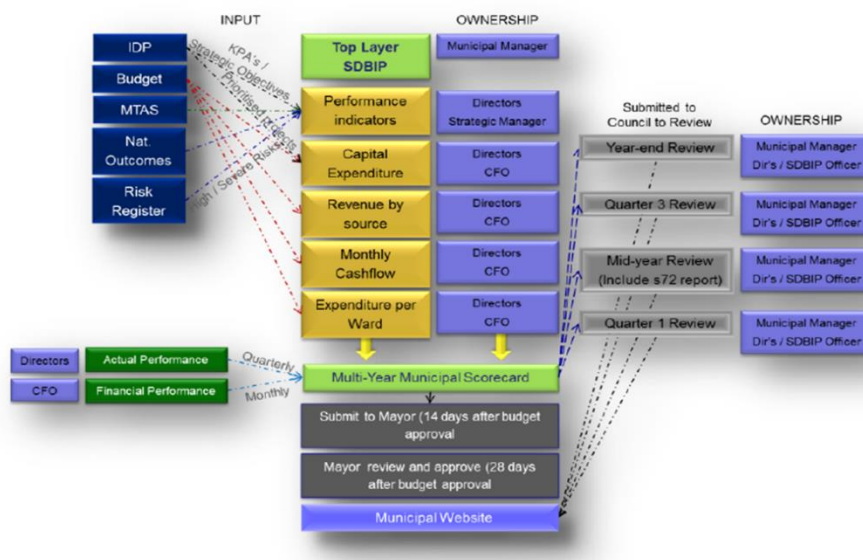


Figure 7: Components of the Municipal Scorecard (Top Layer)

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

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#### (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 14 June 2021
- 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 2021/22 financial year signed during July 2021.

The appraisal of the performance in terms of the signed agreements takes place twice per annum as regulated. The final evaluation of the 2020/21 financial year (1 January 2021 to 30 June 2021) took place on 28 October 2021 and the mid-year performance of 2021/22 (1 July 2021 to 31 December 2021) is took place on 23 February 2022.

The appraisals are 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 STRATEGIC AND MUNICIPAL PERFORMANCE FOR 2021/22

### 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 of 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).

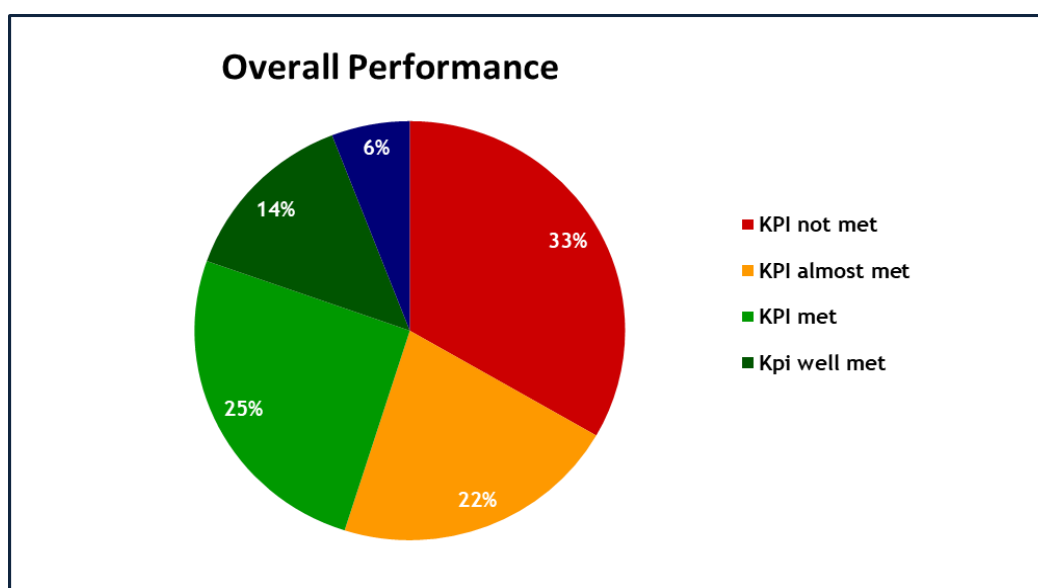
In the paragraphs below the performance achieved is illustrated against the Top layer SDBIP according to the IDP (strategic) objectives.

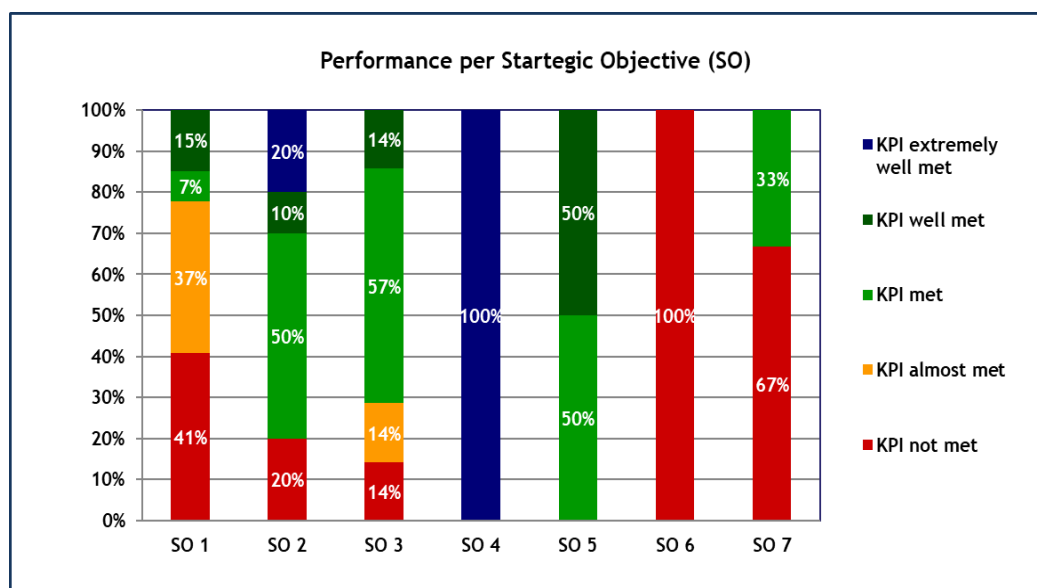
The following table explains the method by which the overall assessment of actual performance against targets set for the key performance indicators (KPI's) of the SDBIP is measured:

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	
<b>KPI Not Met</b>	11	2	1	0	0	1	2	17
<b>KPI Almost Met</b>	10	0	1	0	0	0	0	11
<b>KPI Met</b>	2	5	4	0	1	0	1	13
<b>KPI Well Met</b>	4	1	1	0	1	0	0	7
<b>KPI Extremely Well Met</b>	0	2	0	1	0	0	0	3
<b>Total</b>	<b>27</b>	<b>10</b>	<b>7</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>51</b>

Table 44: Top Layer SDBIP per Strategic Objectives

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

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2020/21	Overall Performance 2021/22						
					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 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	92.90%	0%	20%	60%	90%	90%	62.02%	R
<b>Corrective Action</b>		The Technical Directorate has achieved 62.02% expenditure and has not met the 90% expenditure target. The Municipality has successfully applied for a rollover. All funds shall be spent within the 2022/23 financial year. The Technical Directorate shall utilise a project planner tool supplied by MISA to ensure that all future projects are implemented strictly in accordance with their baseline timeline.									
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	5 816	5 835	5 835	5 835	5 835	5 835	6 072	G2
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	7 950	7 999	7 999	7 999	7 999	7 999	8 179	G2
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	4 854	4 854	4 854	4 854	4 854	4 854	5 074	G2
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	5 735	5 735	5 735	5 735	5 735	5 735	5 948	G2
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	2 640	2 506	2 506	2 506	2 506	2 506	2 002	O
<b>Corrective Action</b>		The Indigent Policy was amended and approved by Council. The qualifying criteria for indigents were two times the state pension amount and were amended to three times the state pension amount to accommodate poor households.									
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	2 487	2 318	2 318	2 318	2 318	2 318	2 019	O

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2020/21	Overall Performance 2021/22						Actual	R
					Target							
					Q1	Q2	Q3	Q4	Annual			
<b>Corrective Action</b>		The Indigent Policy was amended and approved by Council. The qualifying criteria for indigents were two times the state pension amount and was amended to three times the state pension amount to accommodate poor households.										
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	2 536	2 323	2 323	2 323	2 323	<b>2 323</b>	<b>1 916</b>	○	
<b>Corrective Action</b>		The Indigent Policy was amended and approved by Council. The qualifying criteria for indigents were two times the state pension amount and was amended to three times the state pension amount to accommodate poor households.										
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	2 650	2 428	2 428	2 428	2 428	<b>2 428</b>	<b>2 012</b>	○	
<b>Corrective Action</b>		The Indigent Policy was amended and approved by Council. The qualifying criteria for indigents were two times the state pension amount and was amended to three times the state pension amount to accommodate poor households.										
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	75.23%	0%	20%	60%	90%	<b>90%</b>	<b>90%</b>	G	
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	41.37%	0%	20%	60%	90%	<b>90%</b>	<b>66.63%</b>	R	
<b>Corrective Action</b>		66.63% of the approved maintenance budget has been spent by 30 June 2022. The cashflow position of the Municipality has impacted on the rollout of this project even though it had been budgeted for. The Technical Directorate shall supply detailed cashflow projections in 2022/2023 to ensure that the Finance Directorate is aware expected cash outflow at all times.										
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	51.60%	0%	20%	60%	90%	<b>90%</b>	<b>83.90%</b>	○	
<b>Corrective Action</b>		The Water and Waste Water Department has achieved 83.9% expenditure and has not met the 90% target. The Water and Waste Water Department is highly understaffed. The manager position is currently advertised and may be filled by February 2023. The technical officer and other operational positions shall be filled in the 2022/23 fy as well. This will greatly assist in the rollout of planned maintenance and improve on maintenance expenditure.										
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%	20%	40%	70%	100%	<b>100%</b>	<b>84%</b>	○	
<b>Corrective Action</b>		The Municipality achieved 84% expenditure of the MIG grant 2021/22. The Municipality has successfully applied for a rollover. All funds shall be spent in the 2022/2023 fy. The PMU manager position was vacant for										

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2020/21	Overall Performance 2021/22							
					Target					Actual	R	
					Q1	Q2	Q3	Q4	Annual			
		a large portion of the year. This caused some instability. The Municipality filled this position in August 2022 and is liaising with the Department Local Government for additional capacitation of the unit in 2022/23 fy. Training shall be provided early in 2023. This additional capacity will have a positive impact on expenditure.										
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	91.42%	95%	95%	95%	95%	95%	95%	94.11%	○
<b>Corrective Action</b>		94.11% of samples tested comply with SANS 241 micro biological parameters. The Water and Wastewater Department shall in 2022/2023 focus on the towns where test results do not comply to ensure that water quality is improved and target compliance is achieved. The Municipality is in the process of appointing a manager for the department water and sanitation. This position should be filled by February 2023. In addition, further vacant operational positions shall be filled in 2022/2023 fy. This will have a direct impact on water quality control.										
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	75.82%	0%	20%	60%	90%	90%	90%	76.74%	○
<b>Corrective Action</b>		The Water and Wastewater Department has achieved 76.74% expenditure on its maintenance budget. Provision shall be made for outstanding maintenance in the 2022/23 financial year.										
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	12.80%	15%	15%	15%	15%	15%	15%	23.80%	R
<b>Corrective Action</b>		The Municipality incurred 23.8% water losses across all towns. The Director Technical Services has appointed GLS Consulting to conduct a Water Conservation and Demand Management Study across all towns. This study was completed in July 2022. The recommendations thereof need to be implemented.										
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	0	1	0	1	2	2	2	G
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	New KPI for 2021/22	0%	20%	60%	90%	90%	90%	0%	R
<b>Corrective Action</b>		Contractor has been appointed. Construction is underway.										
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/	% of budget spent by 30 June 2022	2	New KPI for 2021/22	0%	20%	60%	90%	90%	90%	79.89%	○



Ref	KPI	Unit of Measurement	Ward	Actual performance for 2020/21	Overall Performance 2021/22						Actual	R
					Target							
					Q1	Q2	Q3	Q4	Annual			
	Approved capital budget for the project)x100]											
<b>Corrective Action</b>		The Municipality's application for a rollover was unsuccessful. Funds have been returned. The Municipality will evaluate how the remaining scope of the project may be funded by own funding in the 2023/24 financial year.										
TL48	Purchase a digger loader and single cab bakkie for Clanwilliam by 30 June 2022	Number of vehicles purchased by 30 June 2022	3	New KPI for 2021/22	0	0	0	2	2	0		R
<b>Corrective Action</b>		Term Loan tender process completed. Awaiting feedback from NT to proceed with final award. The loan will be finalised by the end of January 2023. Once the final award is made procurement process will start in February 2023. This process may be concluded by May 2023. The digger loader and single cab bakkie may be received by 30 June 2023.										
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	New KPI for 2021/22	0%	20%	60%	90%	90%	67.90%		O
<b>Corrective Action</b>		67.9% Expenditure achieved from capital budget for implementation of a Water Pressure Management Project in Citrusdal. This is a Water Services Infrastructure Grant (WSIG) funded project. The Municipality has successfully applied for a rollover. All funds shall be spent in the 2022/23 fy. The Municipality has stabilized the unit by appointing a permanent manager. The Technical Directorate shall utilise a project planner tool supplied by MISA to ensure that all future projects are implemented strictly in accordance with their baseline timeline.										
TL54	Purchase a refuse truck and NPR300 by 30 June 2022	Number of vehicles purchased by 30 June 2022	All	New KPI for 2021/22	0	0	0	2	2	0		R
<b>Corrective Action</b>		Term Loan tender process completed. Awaiting feedback from NT to proceed with final award. The loan will be finalised by the end of January 2023. Once the final award is made procurement process will start in February 2023. This process may be concluded by May 2023. The refuse tuck and NPR300 may be received by 30 June 2023.										
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	New KPI for 2021/22	0%	20%	60%	90%	90%	0%		R
<b>Corrective Action</b>		Term Loan tender process completed. Awaiting feedback from NT to proceed with final award. The loan will be finalised by the end of January 2023. Once the final award is made procurement process will start in February 2023. Construction may be completed by 30 June 2023.										
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	New KPI for 2021/22	0%	20%	60%	90%	90%	0%		R
<b>Corrective Action</b>		Term Loan tender process completed. Awaiting feedback from NT to proceed with final award. The loan will be finalised by the end of January 2023. Once the final award is made procurement process will start in February 2023. Construction may be completed by 30 June 2023.										

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2020/21	Overall Performance 2021/22						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
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	New KPI for 2021/22	0%	20%	60%	90%	90%	0%	R
<b>Corrective Action</b>		Term Loan tender process completed. Awaiting feedback from NT to proceed with final award. The loan will be finalised by the end of January 2023. Once the final award is made procurement process will start in February 2023. Construction may be completed by 30 June 2023.									
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	New KPI for 2021/22	0%	20%	60%	90%	90%	0%	R
<b>Corrective Action</b>		Funding allocated to another Capital Project. Budget for 2022/23 financial year.									
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	New KPI for 2021/22	0%	20%	60%	90%	90%	3.34%	R
<b>Corrective Action</b>		The Municipality achieved 3.34% expenditure professional fees. The detail design was completed and Contractor may be appointed. These funds are subject to a loan that the Municipality applied for. The loan has not been taken up. Further expenditure can therefore not be incurred. The project will be continued in 2022/23 financial year.									

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

## b) Financial viability and economically sustainability

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2020/21	Overall Performance 2021/22						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
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	4.01%	0.00%	0.00%	0.00%	45.00%	45%	2.50%	B
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	10.64%	0.00%	0.00%	0.00%	30.00%	30%	10.35%	B
TL14	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2022 ((Cash and Cash Equivalent - Unspent	Number of months it takes to cover fix operating expenditure with available cash	All	0.35	0	0	0	1	1	0	R

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2020/21	Overall Performance 2021/22							
					Target					Actual	R	
					Q1	Q2	Q3	Q4	Annual			
	Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excl											
<b>Corrective Action</b>		The Municipality experience cashflow constraints. Austerity measures in place to address cashflow constraints.										
TL15	100% 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	72.95%	0%	20%	60%	100%	100%	100%	100%	G
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	0	1	0	0	0	1	1	1	G
TL17	Achievement of a payment percentage of 91% 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	89.71%	90%	90%	90%	91%	91%	91.26%	91.26%	G2
TL18	Achieve an unqualified audit opinion for the 2020/21 financial year	Unqualified Audit opinion received	All	0	0	0	1	0	1	1	1	G
TL19	Submit the draft main budget to Council by 31 March 2022	Draft main budget submitted to Council by 31 March 2022	All	1	0	0	1	0	1	1	1	G
TL20	Submit the adjustments budget to Council by 28 February 2022	Adjustment budget submitted to Council by 28 February 2022	All	1	0	0	1	0	1	1	1	G
TL61	Submit a Traffic Fine Revenue enhancement plan to Council by 31 March 2022	Traffic Fine Revenue enhancement plan submitted to Council by 31 March 2022	All	New KPI for 2021/22	0	0	1	0	1	0	0	R
<b>Corrective Action</b>		A Revenue Enhancement Plan was compiled but was not yet tabled in Council. The Municipality is currently busy with engagements with the court regarding a traffic court in Clanwilliam to address the minimisation of traffic fine losses. Overtime and standby has been reduced in the department. The Traffic Department is engaging with the Magistrate and State Prosecutor to assist the Municipality with the processing of court/traffic cases. The department is also in process with the impound facility at Lamberts Bay which ensures incomes for the department. Discussions were conducted with the MEC, Minister Mitchell regarding cooperation and support.										

Table 46: Financial viability and economically sustainability

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

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2020/21	Overall Performance 2021/22						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
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	0	0	0	1	1	1	G
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	0	0	1	0	1	1	G
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 2020/21 submitted to Council by 31 March 2022	All	1	0	0	1	0	1	1	G
TL5	Submit the final reviewed IDP to Council by 31 May 2022	Final IDP submitted to Council by 31 May 2022	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 2022	Strategic and operational risk register submitted to the Risk Committee by 30 June 2022	All	0	0	0	0	1	1	0	R
<b>Corrective Action</b>		Risk assessment not submitted as the Risk Committee meeting did not take place. Manager to ensure meetings are scheduled and facilitated									
TL11	Address 90% of ICT Audit findings by 30 June 2022	% of Audit findings addressed by 30 June 2022	All	80%	0%	0%	0%	90%	90%	70%	O
<b>Corrective Action</b>		70% of audit findings addressed. Funding for Disaster Recovery and new infrastructure to be sourced									
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	68.48%	0%	20%	60%	90%	90%	98.27%	G2

Table 47: Good governance, community development &amp; public participation

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

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2020/21	Overall Performance 2021/22						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL6	Create 250 jobs opportunities in terms of EPWP by 30 June 2022	Number of job opportunities created in terms of EPWP by 30 June 2022	All	311	0	0	0	250	250	449	B

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

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

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2020/21	Overall Performance 2021/22						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL29	Construct 84 top structures in Lamberts Bay Pr.No.114 by 30 June 2022	Number of top structures constructed by 30 June 2022	5	New KPI for 2021/22	0	0	0	84	84	84	G
TL60	Construct 90 top structures in Citrusdal Pr.No.114 by 30 June 2022	Number of top structures constructed by 30 June 2022	2	New KPI for 2021/22	0	0	0	90	90	117	G2

Table 49: Enable a resilient, sustainable, quality and inclusive living environment and human settlements i.e. Housing development and informal settlement upgrade

f) **To facilitate social cohesion, safe and healthy communities**

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2020/21	Overall Performance 2021/22						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL31	Complete a feasibility study for the Testing Centre (DLTC) for driving licenses Lambert's Bay and submit to Council by 31 March 2022	Feasibility study submitted to Council by 31 March 2022	5	New KPI for 2021/22	0	0	1	0	1	0	R
<b>Corrective Action</b>		The item and report on a technical for feasibility study was submitted to the Portfolio Committee. The recommendation as per item is that a consultant be appointed to do an intense feasibility study which will have cost implications.									

Table 50: To facilitate social cohesion, safe and healthy communities

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

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2020/21	Overall Performance 2021/22						
					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 in compliance with the equity plan as at 30 June 2022	Number of people employed	All	7	0	0	0	1	1	1	G
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	0.45%	0%	0%	0%	1%	1%	0.43%	R
<b>Corrective Action</b>		To ensure training interventions are better planned in the new financial year.									

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2020/21	Overall Performance 2021/22						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL10	95% of the approved capital budget spent for the IT equipment and software by 30 June 20221 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2022	All	88.56%	0%	20%	60%	95%	<b>95%</b>	<b>57.82%</b>	R
<b>Corrective Action</b>		Financial position of municipality to stabilize and IT to find alternative solutions.									

Table 51: *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
<b>Constitution Schedule 4, Part B functions:</b>	
Air pollution	No
Building regulations	Yes
Child care facilities	Yes
Electricity and gas reticulation	Yes
Fire fighting services	MOU with District
Local tourism	Yes
Municipal airports	Yes
Municipal planning	Yes
Municipal health services	No
Municipal public transport	Yes
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	No
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No

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

Table 52: Functional Areas



## COMPONENT A: BASIC SERVICES

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

### 3.3 WATER PROVISION

#### 3.3.1 Introduction to Water Services

Water is probably the most fundamental and indispensable of natural resources - fundamental to life, the environment, food production, hygiene and power generation. Poverty reduction and improved water management are inextricably linked. Section 4B of the Constitution lists water and sanitation services limited to portable water supply systems and domestic waste water and sewerage disposal systems as a local government function. Basic water is defined as 25 litres of potable water per day supplied within 200 metres of a household. As a result of the drought situation in the Western Cape, Cederberg Municipality was compelled to conduct an assessment of the various bulk water supply systems. Surface water provision was at risk and assistance from the Department of Local Government was requested. The Department of Local government funded an all-town water reconciliation study to enhance water provision over the next twenty (20) years. With the funding support, exploration of boreholes was investigated and initiated.

#### 3.3.2 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 drafted 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

### 3.3.3 Service Delivery Levels: Water Services

Below is a table that specifies the different water service delivery levels per household for the financial years 2020/21 and 2021/22:

Description	2020/21	2021/22
	Actual	Actual
<b>Household</b>		
<b>Water: (above minimum level)</b>		
Piped water inside dwelling	5 816	6 072
Piped water inside the 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
<b>Minimum Service Level and Above Sub-total</b>	<b>7 337</b>	<b>7 592</b>
<b>Minimum Service Level and Above Percentage</b>	<b>83.56%</b>	<b>85.97%</b>
<b>Water: (below minimum level)</b>		
Using public tap (more than 200m from dwelling)	1 239	1 239
Other water supply (more than 200m from dwelling)	0	0
No water supply	0	0
<b>Below Minimum Service Sub-total</b>	<b>1 239</b>	<b>1 239</b>
<b>Below Minimum Service Level Percentage</b>	<b>14.44%</b>	<b>14.03%</b>
<b>Total number of Households (formal and informal)</b>	<b>8 576</b>	<b>8 831</b>
<i>Include informal settlements</i>		

Table 54: Water Service Delivery Levels: Households

### 3.3.4 Employees: Water Services

The following table indicates the staff composition for this division:

<b>Employees: Water Services</b>					
Job Level	2020/21		2021/22		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	15	23	13	10	56.5
4 - 6	1	8	3	5	62.5
7 - 9	5	10	9	1	10

Employees: Water Services					
Job Level	2020/21	2021/22			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
10 - 12	1	2	1	1	50
13 - 15	0	0	0	0	0
16 - 18	1	1	0	1	100
19 - 20	0	0	0	0	0
<b>Total</b>	<b>23</b>	<b>44</b>	<b>26</b>	<b>18</b>	<b>40.9</b>

Table 55: Employees: Water Services

### 3.3.5 Capital: Water Services

The following table indicates the capital expenditure for this division:

Capital Projects	2021/22			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Water equipment Citrusdal	110 000	14 143	9 904	(29.97%)
Replace asbesplaat Platdamme Clanwilliam	0	0	172 112	(100%)
Reseal of reservoir Citrusdal	50 000	0	0	0%
Fencing of WTW Citrusdal	150 000	0	0	0%
Replace asbesplaat Platdamme Clanwilliam	500 000	0	0	0%
Reseal 3ml reservoir Clanwilliam & Caletta Cove	130 000	0	0	0%
Reseal Wadrift Reservoir Lamberts Bay	150 000	0	0	0%
Reseal 3ml reservoir Clanwilliam & Caletta Cove	0	5 000	0	(100%)
RBIG - Lamberts Bay regional water supply	0	23 117 391	17 799 692	(23%)
Water: Equipment	30 000	0	0	0.00%
Water Equipment Clanwilliam	30 000	556 000	585 066	(0.16%)
Water Equipment Citrusdal	510 000	0	0	0%
Water: Equipment Elands Bay & Lamberts Bay	30 000	99 936	86 372	(13.57%)

Capital Projects	2021/22			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Water: Equipment Graafwater	0	182 000	181 555	(0.24%)
Plant & equipment Lamberts Bay	60 000	71 000	61 615	(13.22%)
Plant & equipment Citrusdal	0	184 000	154 714	(15.92%)
MIG upgrade reservoir Elands Bay	573 424	573 424	500 388	(12.74%)
WSIG water pressure management Citrusdal	4 000 000	4 000 000	2 715 968	(32.10%)
Upgrade water network: Clanwilliam	0	665 000	143 480	(78.42%)

Table 56: Capital Expenditure 2021/22: 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 backlog eradication to improve the overall compliance in operations and management.

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

The table below specify the highlight for the year:

Highlight	Description
Green Drop rating	The Municipality achieved a significant improvement in its Green Drop rating

Table 57: Waste Water (Sanitation) Provision Highlights

### 3.2.4 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 a 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

### 3.2.5 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 2020/21 and 2021/22:

Description	2020/21	2021/22
	Actual	Actual
<b>Household</b>		
<b>Sanitation/Sewerage: (above minimum level)</b>		
Flush toilet (connected to sewerage)	4 854	5 074
Flush Toilet (with Septic tank)	512	487
Chemical Toilet	20	20
Pit Toilet (ventilated)	0	0
Other toilet provisions (above minimum service level)	379	379
<b>Minimum Service Level and Above Sub-Total</b>	<b>5 765</b>	<b>5 960</b>
<b>Minimum Service Level and Above Percentage</b>	<b>72.84%</b>	<b>73.47%</b>
<b>Sanitation/Sewerage: (below minimum level)</b>		
Bucket Toilet	0	0
Other Toilet provisions (below minimum service level)	0	0
No toilet provisions	2 152	2 152
<b>Below Minimum Service Level Sub-Total</b>	<b>2 152</b>	<b>2 152</b>
<b>Below Minimum Service Level Percentage</b>	<b>27.16%</b>	<b>26.53%</b>
<b>Total number of households</b>	<b>7 923</b>	<b>8 112</b>

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

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

The following table indicates the staff composition for this division:

Employees: Sanitation Services					
Job Level	2020/21	2021/22			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	3	7	1	6	83.3
4 - 6	3	4	3	1	25
7 - 9	4	4	4	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
<b>Total</b>	<b>10</b>	<b>15</b>	<b>8</b>	<b>7</b>	<b>46.6</b>

Table 60: Employees Waste Water (Sanitation) Provision

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

The following table indicates the capital expenditure for this division:

Capital Projects	2021/22			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Sewerage: Equipment Graafwater	55 000	10 000	9 940	(0.60%)
Sewerage: Equipment Lambert Bay	55 000	0	0	0%
Sewerage: Equipment Elands Bay	3 000	0	0	0%
Sewerage: Equipment Clanwilliam	85 000	75 000	69 866	(6.85%)
Sewerage: Equipment Citrusdal	150 000	20 000	18 988	(5.06%)
Fencing Eike Street sewerage station Citrusdal	50 000	0	0	0%
Upgrade sewerage network Clanwilliam	200 000	0	0	0%
Ablution facilities & water points Clanwilliam	0	100 000	74 453	(25.55%)
MIG: WWTW Citrusdal	7 306 934	6 002 586	4 795 245	(20.11%)
Sewerage: Equipment Graafwater	55 000	10 000	9 940	(0.60%)
Sewerage: Equipment Lamberts Bay	55 000	0	0	0%

Table 61: Capital Expenditure 2021/22: 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 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
INEP (Integrated National Electrification Programme)	A 100% funding commitment was received from DMRE

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 2022/23

Table 63: Electricity Challenges

### 3.5.4 Service Delivery Levels: Electricity

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

<b>Households</b>		
<b>Description</b>	<b>2020/21</b>	<b>2021/22</b>
	<b>Actual</b>	<b>Actual</b>
	<b>No.</b>	<b>No.</b>
<b>Households</b>		
Electricity	7 950	8 123
Total number of households	10 591	10 764
<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:

<b>Employees: Electricity Services</b>					
<b>Job Level</b>	<b>2020/21</b>	<b>2021/22</b>			
	<b>Employees</b>	<b>Posts</b>	<b>Employees</b>	<b>Vacancies (fulltime equivalents)</b>	<b>Vacancies (as a % of total posts)</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>%</b>
0 - 3	0	0	0	0	0
4 - 6	6	15	5	10	66.6
7 - 9	2	3	3	0	0
10 - 12	4	7	5	2	28.5
13 - 15	1	1	1	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>13</b>	<b>26</b>	<b>14</b>	<b>12</b>	<b>46.1</b>

Table 65: Employees: Electricity Services



### 3.5.6 Capital: Electricity

The following table indicates the capital expenditure for this division:

Capital Projects	2021/22			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Replacement of streetlights Elands Bay	30 000	0	0	0%
Electricity: Equipment Elands Bay	63 900	59 800	47 311	(20.88%)
Upgrade water network soft starters	0	85 000	63 784	(24.96%)
Citrusdal: 11kv cables - Eskom & Mun switching station	0	290 000	0	(100%)
Clanwilliam: 11kv cable - Mark Street	1 000 000	1 000 000	0	(100%)
Lamberts Bay: 11kv Cable - RMU waterworks & overhead line	1 000 000	1 000 000	0	(100%)
Graafwater: Refurbish overhead line east of town	1 000 000	0	0	0%
Citrusdal: Replace RMU in Voortrekker Street	550 000	550 000	0	(100%)
Citrusdal: Vehicles (4x4 Bakkie)	450 000	450 000	0	(100%)
Citrusdal: 11kv cables - Eskom & Mun switching station	290 000	0	0	0%
Electricity: Upgrade network	22 365	0	0	0%
Electricity: Upgrade network Clanwilliam	263 900	0	0	0%
Generator - Water works	450 000	0	0	0%
Electricity: Upgrade network Graafwater	63 900	0	0	0%
Upgrade water network - Starting panel	85 000	0	0	0%
Upgrade sewerage pumpstation - Starting panel	85 200	0	0	0%
Electricity: Upgrade network Elands Bay	63 900	0	0	0%
High mast lights (township) Elands Bay	180 000	0	0	0%
Electricity: Upgrade network Elands Bay	0	141 301	122 870	(13.04%)
INEP - Bulk electricity upgrade Clanwilliam	14 782 609	14 782 609	14 305 123	(3.23%)

Capital Projects	2021/22			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Fencing: Sub station	0	80 000	0	(100%)
Fencing: Sub station	80 000	0	0	0%
Streetlights & spotlights	0	33 250	0	(100%)
Streetlights & spotlights	0	53 250	23 040	(56.73%)
Streetlights & spotlights	0	50 000	0	(100%)
Streetlights & spotlights Clanwilliam	53 250	0	0	0%
Streetlights & spotlights Citrusdal	53 250	0	0	0%
Streetlights & spotlights Lamberts Bay / Elands Bay	100 000	0	0	0%
Electricity: Office furniture/ equipment	0	0	178 435	(100%)
Electricity: Equipment	0	4 100	3 559	(13.19%)

Table 66: Capital Expenditure 2021/22: Electricity

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

#### 3.6.1 Introduction to Waste Management

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

Pollution and waste management is not the exclusive preserve of the 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 specify the highlight for the year:

Highlight	Description
New Skip Truck	The Municipality received a new skip truck from national government which will have a positive impact on service delivery

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 refuge equipment	Budgetary provision must be made to replace old equipment and trucks
Fires occurring at dump sites	Develop an 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 refuge bag to the community and the 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	
	2020/21	2021/22
	Actual	Actual
	No.	No.
<b>Solid Waste Removal: (Minimum level)</b>		
Removed at least once a week	5 873	5 948
<b>Minimum Service Level and Above sub-total</b>	<b>5 873</b>	<b>5 948</b>
<b>Minimum Service Level and Above percentage</b>	<b>100%</b>	<b>100%</b>
<b>Solid Waste Removal: (Below minimum level)</b>		
Removed less frequently than once a week	0	0
Using communal refuse dump	0	0
Using own refuse dump	0	0
Other rubbish disposal	0	0

Description	Households	
	2020/21	2021/22
	Actual	Actual
	No.	No.
No rubbish disposal	0	0
<b>Below Minimum Service Level sub-total</b>	<b>0</b>	<b>0</b>
<b>Below Minimum Service Level percentage</b>	<b>0%</b>	<b>0%</b>
<b>Total number of households</b>	<b>5 873</b>	<b>5 948</b>

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	2020/21	2021/22			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	24	27	21	6	22.2
4 - 6	3	6	4	2	33.3
7 - 9	7	8	7	1	12.5
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	1	1	0	1	100
19 - 20	0	0	0	0	0
<b>Total</b>	<b>35</b>	<b>42</b>	<b>32</b>	<b>10</b>	<b>23.8</b>

Table 70: Employees: Waste Management

### 3.6.6 Capital: Waste Management

Capital Projects	2021/22			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Vehicles	2 000 000	2 000 000	0	(100%)
Vehicles	0	2 849 050	2 849 049	(0%)

Table 71: Capital Expenditure 2021/22: 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. This program has undergone a change, it is now called *Help me Buy me a Home*.

The implementation of the revised policy will be done on a phase approach with the first phase focusing on applications where a beneficiary is-As Implemented as of 1 April 2022

- Accessing a mortgage loan
- Is not required to contribute since the subsidy FLISP supported with a Pension-backed loan (partial through bank or directly correlated to pension)
- Is not required to contribute since the subsidy covers the selling price; no loan needed
- "Rent to Buy" Agreement: Delayed Outcome (same as standard FLISP Application-when ready to buy, with clarification on the source of co-funding)

#### **C. Individual Subsidy Opportunities (Plot & Plan)**

This subsidy can be used once if your application is successful. The subsidy amount is up to R168 852.

You can use this subsidy to:

- Buy an existing house
- Buy a house on a plot and plan basis
- Finished an incomplete house

If your total monthly household income is R3 500 or less before deductions and you have been on the municipal housing demand database for a minimum of 10 years.

Priority will be given to applicants who are either 40 years or older and 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.

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

Description	Number
Subsidy	5 184
Gap	672

Table 73: Housing Needs

### 3.7.2 Highlights: Housing

The table below specifies the highlights for the year:

Highlights	Description
Completion of 84 top structures in Lamberts Bay	84 Top structures were handed over to beneficiaries in Lamberts Bay
Completion of 90 top structures in Citrusdal	90 Top structures were handed over to beneficiaries in Citrusdal
Title Deeds Restoration Project	Under the Provincial Title Deeds Restoration Programme, Cederberg Municipality handed over 10 title deeds to first time homeowners and 89 sales agreements were signed
Military Veterans accommodated in IRDP Housing Projects: Lamberts Bay	Lamberts Bay Housing Project accommodated 3 Military Veterans in Cederberg

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

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

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	4 335
Service Site	R3 501 - R7 000	849
FLISP	R7001 - R22 000	672

Table 76: Applicants on the Western Cape Housing Demand Database

Financial year	Number of housing units on waiting list	% Housing waiting list increase/(decrease)
2020/21	5 602	2.3%
2021/22	5 856	4.5%

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			
2020/21	13'000	0	0	184	0
2021/22	23 010	20 882	90%	174	0

Table 78: Houses Built and Sites Service

### 3.7.5 Employees: Housing

The following table indicates the staff composition for this division:

Employees: Housing					
Job Level	2020/21	2021/22			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	0	1	0	1	100
10 - 12	4	5	4	1	20
13 - 15	1	1	1	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>5</b>	<b>7</b>	<b>5</b>	<b>2</b>	<b>28.5</b>

Table 79: Employees: Housing

### 3.7.6 Capital: Housing

Capital Projects	2021/22			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
MIG: Ablution facilities and wash through Elands Bay	693 334	693 334	428 517	(38.19%)
MIG: Ablution facilities and water points Clanwilliam	834 850	834 850	860 397	(3.06%)
ISUPG: Clanwilliam Khayelitsha water services	0	1 500 000	0	(100%)
ISUPG: Clanwilliam Khayelitsha sanitation services	0	1 500 000	0	(100%)

Table 80: Capital Expenditure 2021/22: 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 2021/22 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	%
2020/21	2 650	2 487	94%	2 640	99%	2 536	96%	2 650	100%
2021/22	2 019	2 019	100%	2 002	99%	1 916	95%	2 012	99%

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
2020/21	2 487	50	167 872	7 950	200	3 450 300	22	120	190 653
2021/22	2 019	50	156 512	8 179	200	4 062 182	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
2020/21	2 640	6	137 808	5 816	20	1 011 984
2021/22	2 002	6	110 871	6 027	20	1 112 584

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
2020/21	2 536	202	512 272	4 854	202	980 508
2021/22	1 916	215	411 940	5 047	215	1 085 105

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
2020/21	2 650	132	349 800	5 735	132	757 020
2021/22	2 012	143	287 716	5 948	143	850 564

Table 85: Free Basic Refuse Removal Services to Indigent Households

Financial Performance 2021/22: Cost to Municipality of Free Basic Services Delivered				
Services Delivered	2020/21	2021/22		
	Actual	Budget	Adjustment Budget	Actual
	R			
Water	1 136 775	1 180 287	1 068 000	1 077 502
Sanitation	4 801 037	5 025 722	3 372 000	3 403 708
Electricity	72 436	82 182	64 000	64 315
Refuse	535 854	576 854	535 000	539 663

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 106km. 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. R32 342 599 has been spent to date on the project with the implementation of Phases 1 to 5.

In the financial year under review, Phase 5 of this Citrusdal multi-year roads and storm water project was implemented and R3 103 865 was spent from the MIG allocation.

The objective of Phase 5, implemented in the 2021/22 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 was 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)
- 30mm Asphalt overlay: Loop Street (474m)
- 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 42 700 was spent from own funds on the maintenance and rehabilitation of roads and stormwater in the 2021/22 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
Improve the road surface in Citrusdal	Phase 4 roads improvements complete in Citrusdal. Construction work currently underway for Phase 5 of the roads project

Table 87: Roads and Stormwater Highlights

### 3.9.3 Challenges: Roads and Stormwater

The table below specifies the challenges 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 2022/23 financial year to upgrade roads
Roads identify during IPD sessions in all towns	Municipality in financial constraints. Municipality need to apply for funding to reconstruct 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)
2020/21	18	0	0	4
2021/22	18	0	0	3

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)
2020/21	106	0	0	6	3
2021/22	106	0	0	8	5

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
2020/21	0	0	0	0	0	0
2021/22	0	0	0	3 103	0	507

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)
2020/21	31	0	0	10
2021/22	0	0	0	15

Table 92: Stormwater Services Delivery Statistics

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

Stormwater Measures			
Year	New	Upgraded	Maintained
2020/21	0	0	135 000
2021/22	0	0	138 939

Table 93: Stormwater Services Delivery Statistics – Financials

### 3.9.6 Employees: Roads and Stormwater

The following table indicates the staff composition for this division:

Employees: Roads and Stormwater					
Job Level	2020/21	2021/22			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	30	35	27	8	22.8
4 - 6	0	6	0	6	100
7 - 9	11	13	9	4	30.7
10 - 12	3	3	3	0	0
13 - 15	1	1	1	0	0
16 - 18	1	1	1	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>46</b>	<b>59</b>	<b>41</b>	<b>18</b>	<b>30.5</b>

Table 94: Employees: Roads and Stormwater

### 3.9.7 Capital: Roads and Stormwater

Capital Projects	2021/22			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Roads: Equipment Elands Bay & Lamberts Bay	60 000	0	0	0%
Pave Roads: Clanwilliam	1 500 000	0	0	0%
Vehicles Clanwilliam (digger loader & single cab bakkie)	1 300 000	1 300 000	0	(100%)
Pave roads: Riverview Citrusdal	500 000	0	0	0%
Ward 5 upgrade storm water system	120 000	0	0	0%
Provide storm water channel curbs Lamberts Bay / Elands Bay	63 600	0	0	0%
Pave roads: Graafwater North & ASLA	500 000	0	0	0%
Elands Bay stormwater pipes	120 000	0	0	0%

Table 95: Capital Expenditure 2021/22: 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 department continue to face challenges from the previous financial years due to budget constraints and post-pandemic economy. However, the department managed to continue provide the required service deliveries with the help of securing additional personnel for the department in 2021/22 financial year.

**3.10.2 Highlights: Planning**

The table below specifies the highlights for the year:

Highlights	Description
Appointment of two building inspectors	Two building inspectors were appointed during the financial year to facilitate the legislative requirements of the municipality
Attaining an admin clerk	An admin clerk was allocated to the planning department to assist with admin support
Appointment of a manager	A new manager was appointed during the financial year
Stability of office space	A dedicated office space was obtained at the main offices in Clanwilliam to serve the public

Table 96: Planning Highlights

**3.10.3 Challenges: Planning**

The table below specifies the challenges for the year:

Description	Actions to address
Lack of human resources	During the year a building inspector resigned, and the Manager retired. However, both these positions were filled. Provision must be made to appoint an intern town planner and/or professional town planner. Currently, the manager of the department is fulfilling the duties of this position
Registration of one Building Control Officer or Building Inspector in terms of the Architectural Profession Act, 2000 (No 44 of 2000) in accordance with the South African Council for the Architectural Profession (SACAP)	A Building Control Officer or Building Inspector must submit relevant documentation to the South African Council for the Architectural Profession (SACAP) to enable his registration in terms of the Architectural Profession Act, 2000 (No 44 of 2000).

Description	Actions to address
Budgetary constrains	Budgetary provision must be made to procure the necessary equipment, i.e. office stationary, training, and attendance of workshops.
Submittal of hard copies of building plan applications is still by hand which is time consuming process	The installation and integration of the Collaborator: Planning Module with the existing Collaborator systems needs to be completed and implemented
Addressing law enforcement procedures in the absence of dedicated qualified law enforcement officials regarding environmental-, land development- and building control. The COVID-19 pandemic caused an increase in unauthorised building activities since March 2020	Employ dedicated law enforcement officials and develop clear and concise standard operating procedures (SOP). Also implement an amnesty period for unauthorised building activities

Table 97: 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	
	2020/21	2021/22	2020/21	2021/22
Planning application received	0	0	49	46
Applications not approved	0	0	0	0
Applications closed	0	0	0	1
Applications outstanding at year end	0	0	0	3
Awaiting DEA&DP decision	0	0	0	0

Table 98: Applications for Land Use Development

Type of service	2020/21	2021/22
Building plans application processed	215	216
Total surface (m <sup>2</sup> )	56 102	60 337
Approximate value	R297 312 490	R39 219 500
Residential extensions	32 030	29 162
Land use applications processed	55	48

Table 99: 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	2020/21	2021/22			
	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	1	0	0	0	0
7 - 9	0	2	2	0	0
10 - 12	3	5	4	1	20
13 - 15	1	0	0	0	0
16 - 18	1	1	1	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>6</b>	<b>8</b>	<b>7</b>	<b>1</b>	<b>12.5</b>

Table 100: Employees: Planning

### 3.10.6 Capital: Project Management and Town Planning

Capital Projects	2021/22			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
MIG: Upgrade roads and stormwater infrastructure - Citrusdal	4 073 197	4 507 980	2 699 013	(40.13%)
MIG PMU Computer equipment	22 609	0	0	0%

Table 101: Capital Expenditure 2021/22: 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
SANRAL Road Projects	Three SMME's were developed through road projects, with onsite training and 24 - 48 months maintenance contracts. More than 50 employment opportunities were created
SMME Development	22 SMME's received training on Construction Industry Development Board (CIDB) grading as well as SARS related administration training
CETA Training Project	Training for a 6-month certificate in construction is being provided. The 1 <sup>st</sup> group already completed the course and the second is currently in progress. A third group is planned for 2022/23 financial year. Funding was secured for 12-month training which will commence in the 2022/23 financial year
Registration of new SMME'S	± 15 New businesses registered for the year
Graafwater Community Hall	Project to construct a new community hall in Graafwater commenced and will continue into the 2022/23 financial year
Black Business Forum	A Black Business Forum was established during March in Citrusdal
Investment Promotion Action Strategy	An Investment Promotion Action Strategy was compiled to invite more investment opportunities to the municipal area
Investment Property	Property was sold in Lamberts Bay for establishment of a new business

Table 102: 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 103: Challenges LED

### 3.11.4 Employees: LED

The following table indicates the staff composition for this division:

Employees: LED					
Job Level (T-grade)	2020/21	2021/22			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	0	2	1	1	50
7 - 9	0	0	0	0	0
10 - 12	5	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
<b>Total</b>	<b>6</b>	<b>8</b>	<b>7</b>	<b>1</b>	<b>12.5</b>

Table 104: 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><b>1. Tourism Development:</b> 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><b>1.1 Community Based Tourism:</b> 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 <b>1.2 Catalytic Tourism Development Projects:</b> Identify and develop new and existing portfolio of high-profile catalytic tourism products, designed and built by the</p>

Strategic Objective	Sub-Objective
	<p>locals, that will enhance the profile of the Cederberg as a national tourism destination of note</p> <p><b>1.3 Extreme Sports Tourism:</b> 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><b>1.4 Niche Tourism:</b> Develop viable niche tourism sectors specifically birding, mountain biking routes, cultural and heritage routes, botanical/herb-tourism and agro-tourism</p> <p><b>1.5 Events Tourism:</b> 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><b>2 Tourism Transformation:</b> 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><b>2.1 Institutional Arrangements:</b> Review and improve the current local tourism institutional arrangements in line with national policy guidelines</p> <p><b>2.2 Representativeness:</b> Develop and implement a realistic blueprint for participation and inclusion of all sectors of the community with a stake in tourism</p> <p><b>2.3 Compliance with relevant legislation:</b> 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><b>3 Tourism Marketing:</b> Market and promote the Cederberg area as a world class, year-round, outdoor-adventure and cultural tourism destination</p>	<p><b>3.1 Digital destination marketing strategy:</b> Develop and implement a cutting-edge digital marketing strategy based on a cost-effective and efficient electronic marketing portal and website</p> <p><b>3.2 Media exposure:</b> Exploit the region's media exposure to increase tourist numbers</p> <p><b>3.3 Information Portal:</b> Develop a comprehensive information portal where users can access current and accurate regional tourism and related information</p> <p><b>3.4 Communication Strategy:</b> Develop an internal and external communication plan to improve lines of communication to fast track tourism development</p>
<p><b>4. Tourism Funding and Resource Mobilization:</b> Develop and implement a sustainable tourism funding and resource model in support of Cederberg's development, growth and marketing objectives</p>	<p><b>4.1 Funding of Local Tourism Office (LTO):</b> Review and strengthen the current Municipal-LTO funding model in order to maximize marketing and development return on investment</p> <p><b>4.2 Resource Mobilization:</b> Lobby national and provincial government, public entities, international funders and private companies to become partners in tourism development and marketing</p>
<p><b>5. Tourism Monitoring and Evaluation:</b> Develop and implement a practical monitoring and evaluation system to monitor, review and assess the progress in tourism development and marketing</p>	<p><b>5.1 Tourism Research Intelligence:</b> Set up a reliable tourism research and intelligence unit linked to a monitoring and evaluation component</p> <p><b>5.2 Source reliable tourism marketing statistics</b> and development data that will assist in evaluating current initiatives and provide options for future developments</p>

Table 105: Tourism Strategic Objectives

### 3.12.2 Highlights: Tourism

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

Highlights	Description
Clanwilliam Legacy Garden	An open space was transformed into a Legacy Garden consisting of the spekboom plant and echobricks as part of echo and community tourism
Spekboom Nursery	In partnership with Change Makers Hub the Spekboom Nursery was established at the Ramskop Nature Reserve. This project is endorsed by the Nelson Mandela Foundation
Citrusdal Tourism Association	A new tourism association was established by means of a public participation process and members represent the town of Citrusdal
Elands Bay Museum	Council resolution obtained and the lease agreement is currently pending. Once this is finalised the museum will open

Table 106: Highlights: Tourism

### 3.12.3 Challenges: Tourism

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

Description	Actions to address
Over-reliance on the role of tourism information offices as sources of information	Channel newly developed tourism projects directly through the tourism information offices. Close working relationship with local media platforms to promote these offices and update content
Mainstreaming of community-based tourism initiatives	<ul style="list-style-type: none"> <li>Community-based initiatives are slowly developing through the community's involvement in tourism related initiatives</li> <li>Current and newly born initiatives will all be linked to upcoming projects</li> </ul>
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 107: Challenges: Tourism

### 3.12.4 Employees: Tourism

The following table indicates the staff composition for this division:

Employees: Tourism					
Job Level (T-grade)	2020/21	2021/22			
	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
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>

Table 108: 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

Table 109: Libraries in the Municipal Area

### 3.13.2 Highlights: Libraries

The table below specify the highlight for the year:

Highlight	Description
Free Wi-Fi for the community	Almost all the libraries offer free Wi-Fi for our Communities

Table 110: Libraries Highlights

### 3.13.3 Challenges: Libraries

The table below specifies the challenges for the year:

Description	Actions to address
Budgetary decrease	The Municipality had to add its 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
Theft	Security at libraries must be upgraded to combat theft

Table 111: Libraries Challenges

### 3.13.4 Service Statistics for Libraries

The table below specifies the service statistics for the year:

Service statistic	2020/21	2021/22
Library members	5 304	5 802
Books circulated	120 671	1 103 370
Exhibitions held	356	421
Internet users	359	362
New library service points or wheelie wagons	0	0
Children programs	0	3
Visits by school groups	0	185
Book group meetings for adults	0	0
Primary and Secondary Book Education Sessions	0	2

Table 112: Service Statistics for Libraries

### 3.13.5 Employees: Library Services

The following table indicates the staff composition for this division:

Employees: Libraries					
Job Level	2020/21	2021/22			
	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	9	14	10	4	28.5
7 - 9	0	0	0	0	0
10 - 12	7	7	7	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>16</b>	<b>21</b>	<b>17</b>	<b>4</b>	<b>19</b>

Table 113: 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
New property obtained in Citrusdal from Moutons Group	The current cemetery in Citrusdal is nearly at full capacity. The land transfer from Mouton Citrus resulted in additional land for a new cemetery. Farm 451 portion 103 (5.98ha) & 104 (1.2ha)

Table 114: Cemeteries Highlights



### 3.14.3 Challenges: Cemeteries

The table below specifies the challenges for the year:

Description	Actions to address
Vandalism and theft	Regular checks from Law enforcement
Graafwater fencing	Financial constraints - Municipality to apply for external funding
Lamberts Bay fencing	Financial constraints - Municipality to apply for external funding

Table 115: Cemeteries Challenges

### 3.14.4 Service Statistics for Cemeteries

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

Type of service	2020/21	2021/22
Burials	437	381

Table 116: Service Statistics for Cemeteries

## 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
Integrated operations	Integrated operations with SAPS and the Department of Home Affairs to assist with Spaza shops compliance and illegal foreign immigrants
Pro-active Traffic and Law Enforcement	More K78 Roadblocks and VCP's were conducted in Cederberg towns and on the N7. Integrated assistance was received from provincial traffic as they have established a satellite traffic office in Clanwilliam which increase traffic visibility. Law Enforcement officers also forms part and assist with these operations

Table 117: Law Enforcement Highlights

### 3.15.2 Challenges: Law Enforcement

The table below specifies the challenges for the year:

Description	Actions to address
Limited skills	Law Enforcement Officers to be sent to accredited traffic training college to be equipped with a Traffic Officers Diploma. Most of our officers are inexperienced and needs to undergo skills development training
Limited patrol vehicles and safety equipment	Budgetary provision must be made to procure additional vehicles and equipment
After hours services/ Overtime working hours	Budgetary provision must be made for overtime as challenges are experienced when officers take of overtime hours during the week

Table 118: Law Enforcement Challenges

### 3.15.3 Service Statistics for Law Enforcement

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

Details	2020/21	2021/22
Number of by-law infringements attended	407	376
Number of officers in the field on an average day	5	8
Number of officers on duty on an average day	8	10

Table 119: 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	2020/21	2021/22			
	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	11	13	10	3	23
10 - 12	0	0	0	0	0
13 - 15	0	1	0	1	100
16 - 18	0	0	0	0	0

Employees: Law Enforcement					
Job Level	2020/21	2021/22			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
19 - 20	0	0	0	0	0
<b>Total</b>	<b>11</b>	<b>14</b>	<b>10</b>	<b>4</b>	<b>28.5</b>

Table 120: 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
Pro-active Traffic Enforcement	More K78 Roadblocks and VCP's were conducted in Cederberg towns and on the N7. Integrated assistance was received from provincial traffic as they have established a satellite traffic office in Clanwilliam which increase traffic visibility. More integrated operations with SAPS and Provincial Traffic were conducted which mainly consisted of the impoundment of illegal taxis, Lesotho registered vehicles and un-roadworthy vehicles. More than 30 vehicles were impounded during the past financial year
Road Safety Education	The Municipality is in the process of erecting an educational road safety yard at Kleinbegin Bewaar school where learners will be educated on road safety. Equipment was received from the Department of Transport and Public Works. A Learners Licence workshop initiative together with the ward councillor for unemployed youth was successfully conducted in Citrusdal, Ward 1 where 50 applicants received training and successfully completed learner's tests. Pamphleteering and interaction with parents, caregivers and Grade R learners at Citrusdal Primary School. This pedestrian safety awareness initiative was conducted after school in the

Highlights	Description
	main road at the pedestrian crossing. Scholar patrol equipment/uniform was also handed over to the Citrusdal Primary Scholar patrol pupils
Patrol vehicles	Four additional patrol vehicles were received from the previous speed enforcement service provider TMT. Vehicles were also fitted with blue lights/sirens and PA Systems to assist with loud hailing in towns in emergency situations
Engagement with Community Police Forums (CPF)	More frequent (monthly) engagements with CPF's and other stakeholders. During the financial year more integrated and workable relationship between the CPF stakeholders and the protection service department has led to a better co-operation to give feedback on different challenges pertaining to community safety
Citrusdal Driving Licence Testing Centre (DLTC) Compliance	An inspection by the National Inspectorate was done on 09/02/2022 in terms of the prescribed requirements contained in the NRTA, Act 93 of 96 at the Citrusdal DLTC. The findings that were identified during this inspection were previously noted but could not be corrected due to financial constraints and other challenges. The issues identified can now be addressed to ensure future compliance
Implementation of Integrated Transport Plan (ITP)	The Municipality engaged in discussions with regard to the implementation of the District ITP and Local Municipal ITP collectively with the Provincial Regulatory Entity (PRE) to assist with a workshop on legislation on public transport. The application and process of the splitting of the Clanwilliam and Citrusdal Taxi Association which is supported by the Municipality was also discussed with PRE

Table 121: 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 was transferred to Traffic Department after the completion of the TMT contract. Budgetary provision must be made for the maintenance of vehicles
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
Low-income stream at testing stations	Exploring the option of privatising the testing stations
Fencing of Citrusdal Traffic Centre	Budgetary provision must be made to fence the perimeter to secure the building
Impound facility for vehicles and stray animals	Budgetary provisions must be made. Requests for assistance were submitted to the Department Transport and Public Works and the Department of Agriculture

Table 122: 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	2020/21	2021/22
Motor vehicle licenses processed	24 417	17 502
Learner driver licenses processed	223	488
Driver licenses processed	335	410
Driver licenses issued	726	1 182
Fines issued for traffic offenses	1 615	1 839
R-value of fines collected	1 906 550	859 836
Roadblocks held	150	102
Complaints attended to by Traffic Officers	65	314
Awareness initiatives on public safety	1	51
Number of road traffic accidents during the year	469	292
Number of officers in the field on an average day	3	5
Number of officers on duty on an average day	3	5

Table 123: 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	2020/21	2021/22			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	2	2	0	0
4 - 6	3	4	4	0	0
7 - 9	5	8	4	4	50
10 - 12	6	8	5	3	37.5
13 - 15	0	1	1	0	0
16 - 18	1	1	1	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>16</b>	<b>24</b>	<b>17</b>	<b>7</b>	<b>29.1</b>

Table 124: 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 (WCDM) 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/VCP"s	During Joint Operations with SAPS and Provincial Traffic awareness campaigns was held at roadblocks and VCPs regarding Covid-19 protocols and Fire and Disaster Management.
Random visits at Spaza Shops, Supermarkets	During operations with Law Enforcements sporadic visits were conducted to see if Spaza Shops comply with the Disaster Management Act (DMA)
WCDM Satellite Radio Hub	A satellite radio hub was installed at the Clanwilliam Traffic Office to communicate directly with the WCDM Disaster Management Office in Moorreesburg. A second phase will be implemented to provide handheld radio devices to officers to communicate directly with WCDM Disaster Management Office
WCDM Drone Footage Monitoring	During the festive season December 2021 - January 2022 drone footage safety monitoring was requested at Lamberts Bay (Meeuland) Beach Resort and Clanwilliam Dam Resort from WCDM Community and Disaster Management Safety Department. This initiative assisted the department as well as NSRI to monitor the beach and dam swimming areas
Fire Services function transfer to WCDM	The Disaster Management Fire Fighting function of the Municipality was transferred to the WCDM to perform the function on behalf of the Municipality. The fire service will be delivered from the already established fire station of WCDM in Clanwilliam while capacity is being built over a three (3) year period to expand the fire service to the towns of Lamberts Bay and Citrusdal

Table 125: 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 for inspections (Riverview - Citrusdal, Khayelitsha- Clanwilliam)	Control and monitor the growth of the informal settlements. Shacks are built too close to each other, and greater risks arise when one shack catches fire. Shacks are also not easily reachable with fire trucks in case of emergency

Table 126: 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	2020/21	2021/22
Operational callouts	254	209
Awareness initiatives on fire safety	15 initiatives/10 000 people	5 initiatives/3000 people
Total fires attended in the year	254	209
Average turnout time - urban areas	2 hours	2 hours
Average turnout time - rural areas	3 hours	3 hours

Table 127: 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	2020/21		2021/22		
	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	3	0	3	100
7 - 9	1	1	1	0	0
10 - 12	1	1	1	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0

Employees: Fire Services and Disaster Management					
Job Level	2020/21	2021/22			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
19 - 20	0	0	0	0	0
<b>Total</b>	<b>2</b>	<b>5</b>	<b>2</b>	<b>3</b>	<b>60</b>

Table 128: Employees: Fire Services and Disaster Management

### 3.17.6 Capital: Public Safety

The following table indicates the capital expenditure for this division:

Capital Projects	2021/22			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Office furniture Clanwilliam	0	1 000	539	(46.09%)
Generator Clanwilliam Traffic	350 000	0	0	0%
Generator Citrusdal Traffic	350 000	0	0	0%
Equipment: Speed cameras	0	490 000	0	(100%)
Vehicles	0	0	474 667	(100%)

Table 129: Capital Expenditure 2021/22: 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 2021/22 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
Cycling event	The Rooibos 2 Muisbos inaugural cycling event was hosted successfully
7's Tournament	Boland North-west 7's Tournament was hosted successfully to promote return to play/social integration
Open air events	Open air events were hosted to promote social integration/business opportunities

Table 130: 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
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 2023/24 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 131: 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	2020/21	2021/22
<b>Community parks</b>		
Number of parks with play park equipment	5	5
Number of wards with community parks	4	4
<b>Sport fields</b>		
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	R1 290.60	R5 164.63
<b>Sport halls</b>		
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	R1 862.43	R1 072.31

Table 132: Service Statistics for Sport and Recreation

### 3.18.5 Employees: Resorts and Caravan Parks

The following table indicates the staff composition for this division:

<b>Employees: Resorts and Caravan Parks</b>					
Job Level	2020/21	2021/22			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	12	18	11	7	38.8
4 - 6	5	6	4	2	33.3
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
<b>Total</b>	<b>18</b>	<b>26</b>	<b>16</b>	<b>10</b>	<b>62.5</b>

Table 133: 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	2020/21	2021/22			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	36	37	27	10	27
4 - 6	0	6	0	6	100
7 - 9	3	9	6	3	33.3
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
<b>Total</b>	<b>39</b>	<b>52</b>	<b>33</b>	<b>19</b>	<b>36.5</b>

Table 134: Employees: Parks and Gardens

### 3.18.7 Capital: Sport and Recreation

The following table indicates the capital expenditure for this division:

Capital Projects	2021/22			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Office furniture/equipment resorts Clanwilliam	400 000	371 200	354 496	(4.50%)
Office furniture & equipment Citrusdal	0	0	351 366	(100%)
Upgrade sport fields Clanwilliam	0	1 212 800	865 149	(28.67%)
MIG: Upgrade sport fields Clanwilliam	0	869 565	869 565	0%

Table 135: Capital Expenditure 2021/22: 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
Appointment of the Municipal Manager	The Municipal Manager for Cederberg Municipality was appointed in March 2022
Election of new Council	The new Council for Cederberg Municipality was elected in November 2021 after the local government elections

Table 136: 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 were 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 137: Executive and Council Challenges

### 3.19.3 Employees: Administrative Services

The following table indicates the staff composition for this division:

Employees: Administrative Services					
Job Level	2020/21	2021/22			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	4	7	6	1	14.2
4 - 6	4	8	5	3	37.5
7 - 9	2	2	2	0	0
10 - 12	3	5	3	2	40
13 - 15	0	0	0	0	0
16 - 18	1	1	1	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>14</b>	<b>23</b>	<b>17</b>	<b>6</b>	<b>26</b>

Table 138: Employees: Administrative Services

### 3.19.4 Employees: Thusong Centres

The following table indicates the staff composition for this division:

Employees: Thusong Centres					
Job Level	2020/21	2021/22			
	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	3	1	0
7 - 9	0	0	0	0	0
10 - 12	1	1	0	1	100
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>4</b>	<b>6</b>	<b>4</b>	<b>2</b>	<b>33.3</b>

Table 139: 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
Data Cleansing	With the assistance of Ahkile, municipal accounts were reviewed and verified for accuracy
Revenue enhancement	With the assistance of PWC, a lot of extra revenue has been identified and already been billed

Table 140: 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
Unfunded budget	Provincial Treasury assessed that the budget is unfunded and the amended budget funding plan is to be tabled to Council

Table 141: Financial Services Challenges

### 3.20.3 Debt Recovery

The following table represents the debt recovery for the financial years 2020/21 and 2021/22:

Details of the types of account raised and recovered	Debt Recovery					
	2020/21			2021/22		
	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	52 074 156	44 783 774	86	56 261 435	45 571 762	81
Electricity	109 161 472	99 336 939	91	128 522 838	113 100 097	88
Water	32 242 767	19 023 232	59	49 528 975	30 212 675	61
Sanitation	21 835 665	6 351 938	29	15 407 704	5 546 773	36
Refuse	21 740 602	7 118 751	33	13 319 846	5 594 335	42

Table 142: Debt Recovery

### 3.20.4 Employees: Financial Services

The following table indicates the staff composition for this division:

Employees: Finance					
Job Level	2020/21	2021/22			
	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	6	9	9	0	0
7 - 9	9	11	10	1	9
10 - 12	13	14	13	1	7.1
13 - 15	4	8	5	3	37.5
16 - 18	2	2	2	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>34</b>	<b>44</b>	<b>39</b>	<b>5</b>	<b>11.3</b>

Table 143: Employees: Financial Services

### 3.20.5 Capital: Finance and Administration

The following table indicates the capital expenditure for this division:

Capital Projects	2021/22			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Office Furniture/equipment	13 340	13 340	1 301	(90.24%)
Generator: SCM	270 000	0	0	0%
Office Furniture/equipment	0	1 500	1 300	(13.33%)
Office furniture (telephone system)	0	0	163 848	100%
Backup & recovery project	1 800 000	0	0	0%
IT equipment & software	200 000	398 500	230 411	(42.18%)
ICT tools (plant & equipment)	20 000	0	0	0%

Table 144: Capital Expenditure 2021/22: 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 2021/22 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 2021/22 financial year, the Cederberg Municipality has filled 28 vacancies, of which 26 were external and 2 were internal appointments. 19 of the appointees were permanent appointments and 9 were appointed on contract, whilst 18 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

<b>Occupational Health &amp; Safety 2021/22</b>			
<b>Injuries</b>	<b>Compensation for Occupational Injuries and Diseases (COID) Applications</b>	<b>Disabling Injuries</b>	<b>Schedule 8 Investigations (Ill Health)</b>
<b>Temp</b>	0	0	0
<b>Perm</b>	14	0	0

Table 145: Occupational Health and Safety 2021/22

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 increased from 8 injuries in 2020/21 to 14 injuries in the 2021/22 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
Skills Development	A new intake of employees started on the Municipal Minimum Competency programme at the Stellenbosch University's School of Public Leadership (SPL)
Skills Development (external learnership)	Members of the communities across the Cederberg municipal area were enrolled in, and started an artisan (bricklaying) learnership in terms of an agreement between the Construction Seta and Cederberg Municipality
Local Government Municipal Staff Regulations	The HR department developed policies and started a drive to create awareness among employees regarding the implications of the new legislation on HR processes. Consultation with the Local Labour Forum and senior management is complete and a readiness review is in progress regarding the implementation of the regulations

Table 146: 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	Budgetary constraints hamper the implementation of training programmes in a single financial year due to the rise in training cost
Absenteeism	Absenteeism remains the number one form of misconduct, due to substance abuse
Employee wellness	Health of employees and their low morale must be addressed in order to improve their quality of life and service delivery
Substance abuse	A number of employees are still found to be abusing alcohol and other substances which places immense stress on the affected sections of the workforce due to absenteeism

Table 147: 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	2020/21	2021/22			
	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	2	1	1	50
10 - 12	3	4	2	2	50
13 - 15	1	1	1	0	0
16 - 18	1	1	1	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>6</b>	<b>8</b>	<b>5</b>	<b>3</b>	<b>60</b>

Table 148: 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
Citizen Engagement App under development	The Citizen Engagement App development is currently under way to increase interaction with the community
Exploring Cyber Security Protection	POC Software underway
Cost saving on telephone and internet services	New systems were implemented and brought about cost saving on telephone and internet services. The Municipality currently only maintenance expenses

Highlights	Description
Herotel fibre installations	Phase one of the Herotel fibre installations was completed

Table 149: 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 2021/22 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 150: ICT Challenges

### 3.22.4 Employees: ICT Services

The following table indicates the staff composition for this division:

Employees: ICT Services					
Job Level	2020/21	2021/22			
	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	1	0	1	100
13 - 15	2	2	2	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>50</b>

Table 151: 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 to officials across the respective directorates / sections within the organisation and assistance to legal practitioners in the private sector and local government sector as well as national departments	Legal instruments in respect of lease agreements, memorandum of understanding (MOU's), legal case law commentary, constitutional and High court judgements, By-Laws, Bulk Infrastructure Contribution Levies (BICL) agreements etc
Strong legal empowerment skills transfer to officials in their respective units / sections with relevant topical issues in their fields	Assist colleagues with legal interpretation of general contractual issues, interpretation of statutes, legal contractual clauses, legal writing etc
Keeping officials abreast with relevant Court cases and legal commentary in relation to current topical issues in Local Government challenges	Relevant legal related commentary pertains to relevant case law, current legal topics etc

Table 152: Legal Services Highlights

#### 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 serious challenge	Management should allocate sufficient budget for strengthening the division by filling the post of legal officer and appointment of a paralegal assistant for the optimal functioning 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 153: Legal Services Challenges

### 3.23.3 Employees: Legal Services

The following table indicates the staff composition for this division:

Employees: Legal Services					
Job Level	2020/21	2021/22			
	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
<b>Total</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>50</b>

Table 154: Employees: Legal Services

## 3.24 PROCUREMENT SERVICES

### 3.24.1 Highlights: Procurement Services

The table below specifies the highlights for the year:

Highlights	Description
Audit reports	No major remarks were made in the Auditor-General's report concerning the quality of supply chain management
Alignment of SCM processes and procedures that will ensure compliance	National Treasury and Provincial Treasury PT guidelines and regulations are strictly adhered to

Table 155: 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

Description	Actions to address
Adherence to due dates in procurement plan	Procurement templates and the enforcement of procurement plans

Table 156: 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	1 782	149	7.5
Requests cancelled or referred back	39	3.3	0.2

Table 157: 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	21	1 503 135	84.90
Clause 36(1)(b)(ii)-Sole Supplier	7	121 180	6.84
Clause 36(1)(b)(viii) Strip & quote	2	146 304	8.26
<b>Total</b>	<b>30</b>	<b>1 770 619</b>	<b>100</b>

Table 158: Statistics of Deviations from the SCM Policy

**COMPONENT I: SERVICE DELIVERY PRIORITIES FOR 2022/23****3.25 SERVICE DELIVERY PRIORITIES FOR 2022/23**

The main development and service delivery priorities for 2022/23 forms part of the Municipality's Top Layer SDBIP for 2022/23 and are indicated in the table below as per strategic objective:

**3.25.1 Improve and sustain basic service delivery and infrastructure development**

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL15	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 2023	Number of residential properties which are billed for water or have pre paid meters	All	6 020
TL16	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 2023	Number of residential properties which are billed for electricity or have pre paid meters (Excluding Eskom areas)	All	8 211
TL17	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 2023	Number of residential properties which are billed for sewerage	All	5 052
TL18	Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June 2023	Number of residential properties which are billed for refuse removal	All	5 927
TL19	Provide free basic water to indigent households as per the requirements in the indigent policy as at 30 June 2023	Number of households receiving free basic water	All	2 506
TL20	Provide free basic electricity to indigent households as per the requirements in the indigent policy as at 30 June 2023	Number of households receiving free basic electricity	All	2 318
TL21	Provide free basic sanitation to indigent households as per the requirements in the indigent policy as at 30 June 2023	Number of households receiving free basic sanitation services	All	2 323
TL22	Provide free basic refuse removal to indigent households as per the requirements in the indigent policy as at 30 June 2023	Number of households receiving free basic refuse removal	All	2 428
TL24	The percentage of the municipal capital budget actually spent on capital projects as at 30 June 2023 (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 2023	All	90%



Ref	KPI	Unit of Measurement	Wards	Annual Target
TL26	Purchase a digger loader and single cab bakkie for Clanwilliam by 30 June 2023	Number of vehicles purchased by 30 June 2023	3	2
TL27	Purchase 3 LDV (Bakkies) by 30 June 2023	Number of vehicles purchased by 30 June 2023	All	3
TL28	Develop a Service Charter and submit to Council for approval by 31 March 2023	Service Charter developed and submitted for approval	All	1
TL36	Develop a preventative maintenance plan for community facilities and submit to Council for approval by 30 November 2022	Maintenance plan developed and submitted for approval	All	1
TL38	Spend 90% of the approved maintenance budget for electricity services by 30 June 2023 [(Actual expenditure on maintenance/total approved maintenance budget)x100]	% of budget spent by 30 June 2023	All	90%
TL39	Spend 90% of the approved maintenance budget for roads and stormwater by 30 June 2023 [(Actual expenditure on maintenance/total approved maintenance budget)x100]	% of budget spent by 30 June 2023	All	90%
TL40	Spend 90% of the approved maintenance budget for waste water by 30 June 2023 [(Actual expenditure on maintenance/total approved maintenance budget)x100]	% of budget spent by 30 June 2023	All	90%
TL41	Spend 100% of the MIG grant by 30 June 2023 [(Actual expenditure on MIG funding received/total MIG funding received)x100]	% of budget spent by 30 June 2023	All	100%
TL42	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%
TL43	Spend 90% of the approved maintenance budget for water by 30 June 2023 [(Actual expenditure on maintenance/total approved maintenance budget)x100]	% of budget spent by 30 June 2023	All	90%
TL44	Limit unaccounted for water to less than 15% by 30 June 2023 {(Number of Kiloliters Water Purchased or Purified - Number of Kiloliters Water Sold (incl free basic water) / Number of Kiloliters Water Purchased or Purified x 100}	% unaccounted water	All	15%
TL45	Spend 90% of the approved INEP budget for the bulk electricity upgrade in Clanwilliam by 30 June 2023 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2023	3	90%
TL46	Spend 90% of the budget approved to upgrade the Waste Water Treatment Works in Citrusdal by 30 June 2023 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2023	2	90%

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL47	Spend 90% of the budget approved for the procurement of electricity equipment by 30 June 2023 [(Total actual expenditure on the project/ Approved budget for the project)x100]	% of budget spent by 30 June 2023	2	90%
TL48	Spend 90% of the approved RBIG budget for the Lamberts Bay Regional Water Supply by 30 June 2023 [(Total actual expenditure on the project/ Approved budget for the project)x100]	% of budget spent by 30 June 2023	5	90%
TL49	Spend 90% of the approved MIG budget for the upgrade of Lamberts Bay Water Network by 30 June 2023 [(Total actual expenditure on the project/ Approved budget for the project)x100]	% of budget spent by 30 June 2023	5	90%
TL50	Spend 90% of the budget approved for the upgrade of roads and stormwater infrastructure in Graafwater by 30 June 2023 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2023	4	90%
TL51	Spend 90% of the budget approved for the installation of high mast lights in Elands Bay by 30 June 2023 [(Total actual expenditure on the project/ Approved budget for the project)x100]	% of budget spent by 30 June 2023	4	90%
TL52	Spend 90% of the budget approved for the construction of a Multi Purpose Centre in Graafwater by 30 June 2023 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2023	4	90%
TL53	Spend 90% of the budget approved for the upgrade of Clanwilliam WWTW by 30 June 2023 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2023	3	90%
TL54	Review the SDF and submit to Council for approval by 30 June 2023	SDF reviewed and submitted	3	1

Table 159: 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
TL8	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June 2023 (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Rev	% of debt coverage by 30 June 2023	All	52.50%

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL9	Financial viability measured in terms of the outstanding service debtors as at 30 June 2023 (Total outstanding service debtors/ revenue received for services)	% of outstanding service debtors by 30 June 2023	All	9.20%
TL10	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2023 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excl	Number of months it takes to cover fix operating expenditure with available cash	All	0.1
TL11	100% of the Financial Management Grant spent by 30 June 2023 [(Total actual grant expenditure/Total grant allocation received)x100]	% of Financial Management Grant spent by 30 June 2023	All	100%
TL12	Submit the annual financial statements to the Auditor-General by 31 August 2022	Approved financial statements submitted to the Auditor-General by 31 August 2022	All	1
TL13	Achievement of a payment percentage of 91% by 30 June 2023 ((Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance + Bad Debts Written Off)/Billed Revenue) x 100	Payment % achieved by 30 June 2023	All	91%
TL14	Achieve an unqualified audit opinion for the 2021/22 financial year	Unqualified Audit opinion received	All	1
TL35	Compile and submit a Traffic Fine Revenue enhancement plan to Council by 31 December 2023	Traffic Fine Revenue enhancement plan submitted to Council	All	1

Table 160: Financial viability and economically sustainability

### 3.25.3 Good governance, community development & public participation

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL1	Develop and submit the Risk Based Audit Plan for 2023/24 to the Audit Committee by 30 June 2023	Risk Based Audit Plan submitted to the Audit Committee by 30 June 2023	All	1
TL2	Oversee the compilation and submission of the final IDP to Council by 31 May	Final IDP submitted to Council by 31 May	All	1
TL3	Complete the annual Risk Assessment and submit the Strategic and Operational Risk Register to the Risk Committee by 31 December 2022	Strategic and operational risk register submitted to the Risk Committee by 31 December 2022	All	1
TL7	Address 90% of ICT Audit findings by 30 June 2023	% of Audit findings addressed by 30 June 2023	All	90%
TL23	Spend 90% of the approved maintenance budget for municipal buildings by 30 June 2023 [(Actual expenditure on maintenance/total approved maintenance budget)x100]	% of budget spent by 30 June 2023	All	90%

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL25	Spend 90% of the approved maintenance budget spend for municipal buildings by 30 June 2023 [(Actual expenditure on maintenance/total approved maintenance budget)x100]	% of budget spent by 30 June 2023	All	90%

Table 161: 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
TL37	Create 250 jobs opportunities in terms of EPWP by 30 June 2023	Number of job opportunities created in terms of EPWP by 30 June 2023	All	250

Table 162: 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
TL31	Construct 60 top structures in Lamberts Bay Pr.No.114 by 30 June 2023	Number of top structures constructed by 30 June 2023	5	60
TL32	Construct 240 toilets for Clanwilliam IBS (Khayalitsha Block C1 ) by 30 June 2023	Number of toilets constructed by 30 June 2023	3	240
TL34	Construct 57 top structures in Citrusdal Pr.No.114 by 30 June 2023	Number of top structures constructed by 30 June 2023	2	57

Table 163: 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
TL33	Complete a feasibility study for the Testing Centre (DLTC) for driving licenses Lambert's Bay and submit to Council by 31 March 2023	Feasibility study submitted to Council by 31 March 2023	5	1

Table 164: 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
TL4	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 2023	Number of people employed as at 30 June	All	1
TL5	The percentage of the municipality's personnel budget actually spent on implementing its workplace skills plan by 30 June 2023 [(Actual amount spent on training/total operational budget)x100]	% of the municipality's personnel budget on training by 30 June 2023 (Actual amount spent on training/total personnel budget)x100	All	0.15%
TL6	Spend 90% of the approved capital budget IT equipment and software by 30 June 2023 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2023	All	90%
TL29	Review staff establishment and submit to Council for approval by 31 January 2023	Reviewed staff establishment submitted for approval	All	1
TL30	Develop an HR Strategy and submit to Council for approval by 31 March 2023	Strategy developed and submitted for approval	All	1

Table 165: 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 342 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**

<b>African</b>	<b>Coloured</b>	<b>Indian</b>	<b>White</b>
<b>Actual June</b>	<b>Actual June</b>	<b>Actual June</b>	<b>Actual June</b>
14%	82%	0.3%	3.7%

Table 166: 2021/22 EE Actual by Racial Classification

<b>Male</b>	<b>Female</b>	<b>Disability</b>
<b>Actual June</b>	<b>Actual June</b>	<b>Actual June</b>
64%	36%	7%

Table 167: 2021/22 EE Actual by Gender Classification

**b) Employment Equity vs. Population**

Description	African	Coloured	Indian	White	Total
Economically Active Population Demographics (Percentage) Western Cape	35%	45%	1%	17%	98% (exc other)
<b>Economically Active Population West Coast Region % Population</b>	17%	66%	0.5%	16%	100%
Number for positions filled	58	275	1	8	342

Table 168: EE Population 2021/22 (including non-permanent officials)

**c) Specific Occupational Categories - Race**

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

Occupational Categories	Female				Male				Total
	A	C	I	W	A	C	I	A	
Top Management	0	0	0	0	0	0	0	0	0
Senior management	0	3	0	0	0	0	0	0	3
Professionally qualified and experienced specialists and mid- management	0	9	0	1	0	1	0	1	12
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	5	39	0	2	3	25	0	2	76
Semi-skilled and discretionary decision making	17	62	1	0	5	50	0	2	137
Unskilled and defined decision making	14	68	0	0	14	18	0	0	114
Temporary employees	<b>2</b>	<b>5</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>10</b>
<b>Total</b>	<b>38</b>	<b>186</b>	<b>1</b>	<b>4</b>	<b>22</b>	<b>96</b>	<b>0</b>	<b>5</b>	<b>352</b>

Table 169: 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	13	0	0	14
Financial Services	3	34	0	2	39
Support Services	14	113	1	2	130
Technical Services	40	115	0	4	159
<b>Total</b>	<b>58</b>	<b>275</b>	<b>1</b>	<b>8</b>	<b>342</b>

Table 170: Departments: Race

### 4.2.2 Vacancy Rate

The approved organogram for the Municipality had 408 posts for the financial year. Posts vacant at the end of 2020/21 resulted in a funded vacancy rate of 15.4% compared to 342 posts of which 66 posts were vacant in 2021/22, resulting in a funded vacancy rate of 16.1%. Below is a table that indicates the vacancies within the Municipality:

Per Functional Level		
Functional area	Filled	Vacant
Municipal Manager	14	2
Financial Services	39	5
Support Services	130	26
Technical Services	159	33
<b>Total</b>	<b>342</b>	<b>66</b>

Table 171: 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	0	1
Chief Financial Officer	1	1
Other Section 57 Managers	0	1
Senior management (T14-T19)	4	13
<b>Total</b>	<b>5</b>	<b>16</b>

Table 172: 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 2021/22.

Employee Movement					
Movement Type	African	Coloured	Indian	White	Total
Termination	4	16	0	1	21
Recruited Internal	1	1	0	0	2
Recruited External	6	23	0	0	29
Transferred / Placement	0	0	0	0	0
<b>Total</b>	<b>11</b>	<b>40</b>	<b>0</b>	<b>1</b>	<b>52</b>

Table 173: 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 an increase from 8 employees injured in the 2020/21 financial year compared to 14 employees in the 2021/22 financial year. The table below indicates the total number of injuries within the different directorates:

Directorates	2020/21	2021/22
Municipal Manager	0	0
Support Services	0	0
Financial Services	1	1
Technical Services	7	13
<b>Total</b>	<b>8</b>	<b>14</b>

Table 174: Injuries

#### 4.3.2 Human Resource Policies and Plans

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

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

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

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

Table 175: 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 2021/22 financial year was R843 630. The actual spent on training for the same financial year was R527 003 which amounts to 62.47% spent. The tables below show the number of individuals (headcount) trained:

Occupational Category	Female				Male				Total
	A	C	I	W	A	C	I	W	
Legislators	0	1	0	0	0	6	0	0	7
Managers	0	1	0	1	0	4	0	0	6
Professionals	0	9	0	0	1	24	0	0	34
Technicians and Trade Workers	0	0	0	0	0	8	0	2	10
Community and Personal Service Workers	0	1	0	0	0	2	0	0	3
Clerical and Administrative Workers	0	13	0	1	0	5	0	0	19
Sales Workers	0	1	0	0	0	0	0	0	1

Occupational Category	Female				Male				Total
	A	C	I	W	A	C	I	W	
Machine Operators and Drivers	0	0	0	0	0	0	0	0	0
Elementary Workers	3	6	0	0	8	28	0	0	45
<b>Total</b>	<b>3</b>	<b>32</b>	<b>0</b>	<b>2</b>	<b>9</b>	<b>77</b>	<b>0</b>	<b>2</b>	<b>125</b>

Table 176: Skills Matrix

#### 4.4.2 Skills Development - Budget Allocation

Year	Total Allocated	Total Spend	% Spent
2020/21	R 386 904	R 346 612	89.59%
2021/22	R 843 630	R 527 003	62.47%

Table 177: 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))
<b>Financial Officials</b>			
Accounting officer	1	1	1
Chief financial officer	0	0	0

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	2	2	1
Any other financial officials	1	1	1
<b>Supply Chain Management Officials</b>			
Heads of supply chain management units	1	1	1

Table 178: 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	2020/21		2021/22	
	Actual	Original Budget	Adjusted Budget	Actual
Description	R	R	R	R
<b>Councillors (Political Office Bearers plus Other)</b>				
Salary	4 392 154	4 671 000	4 297 440	3 977 451
Pension Contributions	584 787	622 000	238 810	299 772
Medical Aid Contributions	162 462	180 000	99 750	99 738
Motor vehicle allowance	0	0	216 740	216 739
Cell phone allowance	421 165	118 000	320 470	406 404
Housing allowance	0	0	0	0
Other benefits or allowances	0	0	0	0
In-kind benefits	0	0	0	0
<b>Sub Total</b>	<b>5 560 569</b>	<b>5 591 000</b>	<b>5 173 210</b>	<b>5 000 104</b>
<b>Senior Managers of the Municipality</b>				
Basic Salary and Wages	3 675 837	3 291 000	4 471 410	4 543 129

Financial year	2020/21	2021/22		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R	R	R	R
Pension Contributions	22 274	395 000	183 870	181 660
Medical Aid Contributions	0	58 000	116 000	0
Performance Bonus	73 690	63 393	0	173 657
Motor vehicle allowance	243 978	510 000	358 130	350 243
Cell phone allowance	100 172	223 000	113 000	113 000
Housing allowance	0	0	0	0
Other benefits or allowances	40	51 000	300	276
Leave Pay Out	0	0	0	0
Long Service Awards	0	0	0	0
<b>Sub Total</b>	<b>4 115 989</b>	<b>4 591 393</b>	<b>5 242 710</b>	<b>5 361 964</b>
<b>Other Municipal Staff</b>				
Basic Salaries and Wages	82 853 803	87 877 157	89 078 883	88 353 248
Pension Contributions	12 793 930	13 484 260	13 968 549	13 903 016
Medical Aid Contributions	4 325 183	4 763 000	5 016 026	4 504 348
Motor vehicle allowance	5 423 051	3 511 000	6 771 831	6 969 506
Cell phone allowance	374 191	315 000	427 191	430 627
Housing allowance	420 162	441 000	322 244	354 827
Overtime	3 348 832	1 794 500	4 864 970	4 300 005
Other benefits or allowances	4 632 088	3 697 500	5 139 279	5 133 986
Leave Pay Out	1 956 701	3 009 000	2 079 000	0
Long Service Awards	495 000	547 000	539 000	525 000
Post-retirement benefit obligations	3 063 998	1 269 000	1 591 000	1 549 000
<b>Sub Total</b>	<b>119 686 940</b>	<b>120 708 417</b>	<b>129 797 973</b>	<b>126 023 563</b>
<b>Total Municipality</b>	<b>129 374 920</b>	<b>130 890 810</b>	<b>140 213 893</b>	<b>136 385 631</b>

Table 179: Personnel Expenditure

**CHAPTER 5**

This chapter provides details regarding the financial performance of the Municipality for the 2021/22 financial year.

**COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE**

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

**5.1 FINANCIAL SUMMARY**

The table below indicates the summary of the financial performance for the 2021/22 financial year:

<b>Financial Summary</b>						
<b>R'000</b>						
<b>Description</b>	<b>2020/21</b>	<b>2021/22</b>		<b>2021/22 %Variance</b>		
	<b>Actual</b>	<b>Original Budget</b>	<b>Adjusted Budget</b>	<b>Actual</b>	<b>Original Budget</b>	<b>Adjusted Budget</b>
<b>Financial Performance</b>						
Property rates	48 155	51 274	49 340	52 404	2.16	5.85
Service charges	151 562	169 263	173 083	172 313	1.77	-0.45
Investment revenue	749	486	586	750	35.11	21.77
Transfers recognised - operational	77 633	89 873	99 866	96 033	6.41	-3.99
Other own revenue	25 781	35 194	26 411	24 002	-46.63	-10.04
<b>Total revenue (excluding capital transfers and contributions)</b>	<b>303 880</b>	<b>346 091</b>	<b>349 287</b>	<b>345 502</b>	<b>-0.17</b>	<b>-1.10</b>
Employee costs	123 803	125 300	135 041	132 380	5.35	-2.01
Remuneration of councillors	5 572	5 591	5 173	5 000	-11.82	-3.46
Debt Impairment	34 767	29 577	31 946	26 777	-10.46	-19.30
Depreciation & asset impairment	23 687	21 246	26 957	26 850	20.87	-0.40
Finance charges	11 585	10 917	11 759	12 206	10.56	3.67
Bulk Purchases	82 529	100 857	94 552	93 891	-7.42	-0.70
Other Materials	6 745	7 188	8 996	8 332	13.73	-7.97
Contracted Services	17 282	40 414	61 465	54 699	26.12	-12.37
Transfers and grants	489	884	615	244	-262.61	-152.44
Other expenditure	20 147	21 761	26 709	23 620	7.87	-13.08
Loss on disposal of PPE	0	0	2 000	865	100.00	-131.21
<b>Total Expenditure</b>	<b>326 605</b>	<b>363 736</b>	<b>405 213</b>	<b>384 866</b>	<b>5.49</b>	<b>-5.29</b>
<b>Surplus/(Deficit)</b>	<b>(22 725)</b>	<b>(17 645)</b>	<b>(55 926)</b>	<b>(39 364)</b>	<b>55.17</b>	<b>-42.08</b>

Financial Summary						
R'000						
Description	2020/21	2021/22			2021/22 %Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Transfers recognised -capital	42 237	32 292	58 542	45 632	29.23	-28.29
Contributions recognised - capital & contributed assets	189	200	3 038	3 437	94.17	11.62
<b>Surplus/(deficit) after capital transfers &amp; contributions</b>	<b>19 700</b>	<b>14 847</b>	<b>5 653</b>	<b>9 705</b>	<b>-52.99</b>	<b>41.75</b>
Capital Expenditure & Funds Sources						
Capital Expenditure						
Transfers recognized - capital	42 237	32 292	58 542	45 632	29.23	-28.29
Public contributions & donations	0	0	0	0	0	0
Borrowing	0	15 634	10 800	150	-10296.42	-7081.70
Internally generated funds	2 214	3 335	8 316	7 464	55.32	-11.41
<b>Total sources of capital funds</b>	<b>44 451</b>	<b>51 262</b>	<b>77 658</b>	<b>53 247</b>	<b>3.73</b>	<b>-45.85</b>
Financial Position						
Total current assets	51 764	43 134	36 326	63 254	31.81	42.57
Total non-current assets	715 490	748 335	776 078	734 370	-1.90	-5.68
Total current liabilities	116 559	117 429	131 965	135 683	13.45	2.74
Total non-current liabilities	84 677	91 933	99 549	86 219	-6.63	-15.46
Community wealth/equity	566 018	582 107	580 889	575 723	-1.11	-0.90
Cash Flows						
Net cash from (used) operating	47 581	42 611	59 293	52 036	18.11	-13.95
Net cash from (used) investing	(50 008)	(51 061)	(74 588)	(44 878)	-13.78	-66.20
Net cash from (used) financing	(4 508)	10 508	5 831	(5 093)	306.34	214.49
<b>Cash/cash equivalents at the year end</b>	<b>9 750</b>	<b>2 748</b>	<b>285</b>	<b>11 815</b>	<b>76.74</b>	<b>97.59</b>
Cash Backing/Surplus Reconciliation						
Cash and investments available	0	2 748	285	11 815	76.74	97.59
Application of cash and investments	0	(62 395)	(80 750)	(7 869)	-692.93	-926.19
<b>Balance -surplus (shortfall)</b>	<b>0</b>	<b>(59 647)</b>	<b>(80 465)</b>	<b>3 946</b>	<b>1611.48</b>	<b>2139.02</b>
Asset Management						
Asset register summary (WDV)	715 490	748 335	776 078	734 370	-1.90	-5.68
Depreciation & asset impairment	23 687	21 246	26 957	26 850	20.87	-0.40
Renewal of existing assets	10 230	17 178	16 606	8 363	-105.40	-98.55
Repairs and maintenance	6 350	27 285	31 989	8 844	-208.51	-261.70

Financial Summary						
R'000						
Description	2020/21	2021/22			2021/22 %Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
<b>Free Services</b>						
Cost of free basic services provided	6 546	6 865	5 039	5 085	-35.00	0.91
Revenue cost of free services provided	3 919	4 154	6 921	3 803	0.00	0.00
<b>Households Below Minimum Service Level</b>						
Water	2 640	2 500	2 500	2 002	-24.88	-24.88
Sanitation/sewerage	2 536	2 400	2 400	1 916	-25.26	-25.26
Energy	2 487	2 500	2 500	2 019	0.00	0.00
Refuse	2 650	2 400	2 400	2 012	0.00	0.00

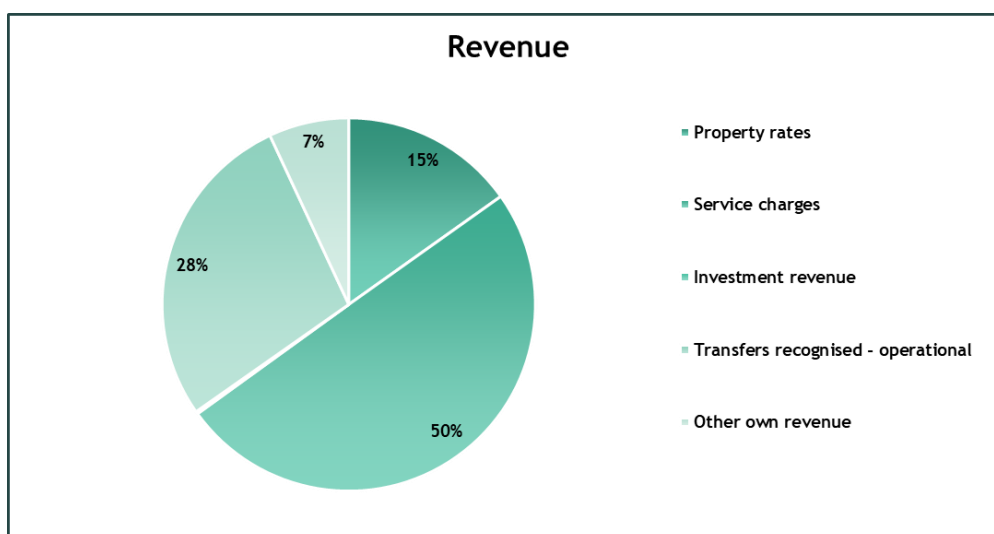
*Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual.*

Table 180: Financial Performance 2021/22

Financial Year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000				R'000			
2020/21	326 713	303 880	(22 833)	-7	358 459	326 605	31 854	9
2021/22	349 287	345 502	(3 785)	-1	405 213	384 866	20 348	5

Table 181: Performance Against Budgets

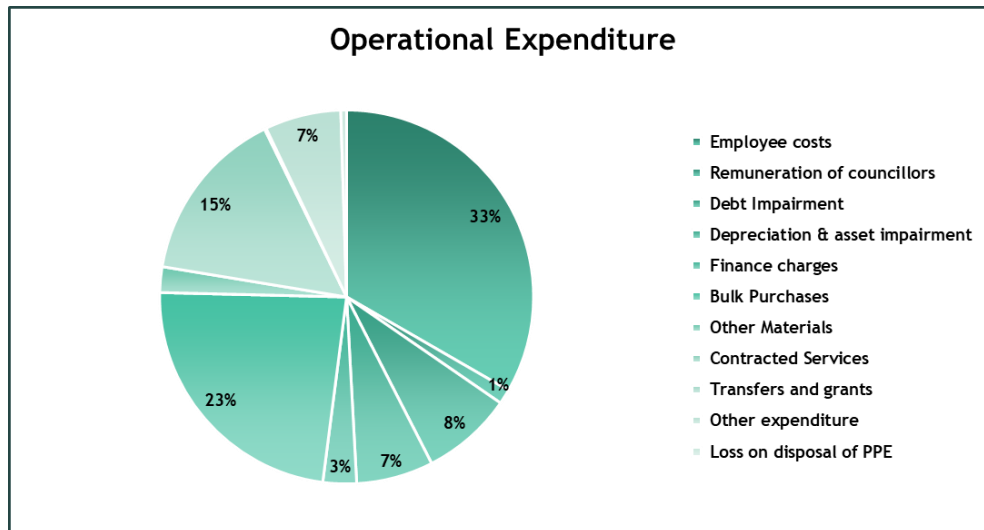
The following graph indicates the various types of revenue items in the municipal budget for 2021/22



Graph 3: Revenue



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



Graph 4: Operating Expenditure

## 5.1.1 Revenue Collection by Vote

The table below indicates the revenue collection performance by vote:

Vote Description	2020/21	2021/22			2021/22 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Vote 1 - Executive and Council	54 220	9 527	9 527	49 959	80.93	80.93
Vote 2 - Office of Municipal Manager	41	0	39	39	100.00	0.00
Vote 3 - Financial Administrative Services	57 356	60 152	60 205	62 636	3.96	3.88
Vote 4 - Community Development Services	8 329	7 660	8 319	7 983	4.04	-4.21
Vote 5 - Corporate and Strategic Services	363	6 703	3 139	547	-1124.54	-473.47
Vote 6 - Planning and Development Services	3 046	2 593	2 774	2 684	3.41	-3.34
Vote 7 - Public Safety	13 961	18 657	11 588	12 467	0.00	0.00
Vote 8 - Electricity	119 367	143 367	144 445	133 391	0.00	0.00
Vote 9 - Waste Management	11 364	21 032	25 855	17 179	0.00	0.00
Vote 10 - Waste Water Management	35 687	29 442	29 930	21 103	0.00	0.00
Vote 11 - Water	38 362	51 692	78 096	56 450	0.00	0.00
Vote 12 - Housing	0	21 257	27 767	23 200	0.00	0.00
Vote 13 - Road Transport	0	4 684	5 584	3 076	0.00	0.00
Vote 14 - Sports and Recreation	4 209	1 817	3 597	3 856	0.00	0.00

Vote Description	2020/21	2021/22			2021/22 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
<b>Total Revenue by Vote</b>	<b>346 305</b>	<b>378 583</b>	<b>410 866</b>	<b>394 570</b>	<b>4.05</b>	<b>-4.13</b>

Table 182: Revenue by Vote

## 5.1.2 Revenue Collection by Source

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

Description	2020/21	2021/22			2021/22 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Property rates	48 155	51 274	49 340	52 404	2.16	5.85
Service Charges - electricity revenue	102 234	116 428	117 548	116 302	-0.11	-1.07
Service Charges - water revenue	29 064	31 027	30 839	31 228	0.64	1.25
Service Charges - sanitation revenue	9 457	10 030	12 019	12 004	16.44	-0.12
Service Charges - refuse revenue	10 806	11 777	12 677	12 779	7.84	0.80
Rentals of facilities and equipment	705	364	933	829	56.07	-12.50
Interest earned - external investments	749	486	586	750	35.11	21.77
Interest earned - outstanding debtors	5 733	6 041	4 674	4 288	-40.88	-8.99
Fines	11 553	14 772	7 701	9 181	-60.89	16.12
Licences and permits	2	3	3	3	0.00	0.00
Agency services	3 720	3 954	3 919	3 672	-7.69	-6.73
Transfers recognised - operational	77 633	89 873	99 866	96 033	6.41	-3.99
Other revenue	3 994	10 060	7 181	5 352	-87.97	-34.18
Gains on disposal of PPE	74	-	2 000	676	0.00	0.00
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>303 880</b>	<b>346 091</b>	<b>349 287</b>	<b>345 502</b>	<b>-0.17</b>	<b>-1.10</b>

Table 183: Revenue by Source

### 5.1.3 Operational Services Performance

The table below indicates the operational services performance for the 2021/22 financial year:

Financial Performance of Operational Services						
Description	2020/21	2021/22			2021/22 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
<b>Operating Cost</b>						
Water	30 147	26 433	33 510	32 590	18.89	-2.82
Waste water (sanitation)	11 786	11 687	19 547	18 260	36.00	-7.05
Electricity	98 130	115 951	114 583	113 221	-2.41	-1.20
Waste management	17 251	15 592	19 523	19 244	18.98	-1.45
Housing	2 571	22 473	25 900	24 570	8.53	-5.41
<b>Component A: sub-total</b>	<b>159 885</b>	<b>192 136</b>	<b>213 062</b>	<b>207 886</b>	<b>7.58</b>	<b>-2.49</b>
Roads and stormwater	13 039	12 918	15 069	13 852	6.75	-8.79
<b>Component B: sub-total</b>	<b>13 039</b>	<b>12 918</b>	<b>15 069</b>	<b>13 852</b>	<b>6.75</b>	<b>-8.79</b>
Planning	4 057	4 389	4 117	3 931	-11.66	-4.73
Local Economic Development	2 490	2 917	3 083	3 000	2.77	-2.77
<b>Component C: sub-total</b>	<b>6 547</b>	<b>7 306</b>	<b>7 200</b>	<b>6 931</b>	<b>-5.42</b>	<b>-3.88</b>
Libraries	5 186	5 972	5 792	5 722	-4.38	-1.23
<b>Component D: sub-total</b>	<b>5 186</b>	<b>5 972</b>	<b>5 792</b>	<b>5 722</b>	<b>-4.38</b>	<b>-1.23</b>
Environmental Protection	0	0	0	0	0.00	0.00
<b>Component E: sub-total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
Traffic & licensing	21 421	23 030	19 601	20 510	-12.29	4.43
Fire Services and Disaster Management	3 240	3 520	4 369	2 832	-24.29	-54.27
<b>Component F: sub-total</b>	<b>24 661</b>	<b>26 550</b>	<b>23 970</b>	<b>23 342</b>	<b>-13.75</b>	<b>-2.69</b>
Holiday Resorts and Campsites	4 798	4 794	5 165	4 985	3.85	-3.61
Swimming pools - stadiums and sport ground	8 133	8 163	8 523	8 156	-0.08	-4.50
Community halls facilities Thusong centres	899	1 039	995	929	-11.86	-7.11
<b>Component G: sub-total</b>	<b>13 830</b>	<b>13 996</b>	<b>14 683</b>	<b>14 070</b>	<b>0.53</b>	<b>-4.36</b>
Financial Services	47 264	45 108	52 876	45 963	1.86	-15.04
Office of the MM	15 617	16 589	16 436	15 349	-8.08	-7.08
Administration	35 660	37 820	50 905	47 141	19.77	-7.99
Human Resources	4 918	5 340	5,219	4,609	-15.85	-13.23

Financial Performance of Operational Services						
Description	2020/21	2021/22			2021/22 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
<b>Operating Cost</b>						
<b>Component H: sub-total</b>	<b>103 458</b>	<b>104 857</b>	<b>125 437</b>	<b>113 062</b>	<b>7.26</b>	<b>-10.94</b>
<b>Total Expenditure</b>	<b>326 605</b>	<b>363 736</b>	<b>405 213</b>	<b>384 866</b>	<b>5.49</b>	<b>-5.29</b>
<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 184: 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	2020/21	2021/22			Variance to Budget
	Actual	Original Budget	Adjusted Budget	Actual	
	R'000				
<b>Total Operational Revenue</b>	<b>31 225</b>	<b>47 119</b>	<b>50 405</b>	<b>35 434</b>	<b>-32.97</b>
<b>Expenditure:</b>					
Bulk Purchases	757	1 001	1 001	803	<b>-24.72</b>
Contracted Services	8 876	5 037	8 320	8 966	<b>43.82</b>
Debt Impairment	4 571	5 136	5 710	5 070	<b>-1.30</b>
Depreciation and Amortisation	515	629	1 511	1 065	<b>41.00</b>
Employee Related Costs	12 327	10 925	12 932	12 821	<b>14.79</b>
Other Expenditure	3 101	3 706	4 036	3 866	<b>4.14</b>
<b>Total Operational Expenditure</b>	<b>30 147</b>	<b>26 433</b>	<b>33 510</b>	<b>32 590</b>	<b>18.89</b>
<b>Net Operational (Service) Expenditure</b>	<b>1 078</b>	<b>20 686</b>	<b>16 895</b>	<b>2 844</b>	<b>-627.39</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 185: Financial Performance: Water Services

## 5.2.2 Waste Water (Sanitation)

Description	2020/21	2021/22			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>16 935</b>	<b>22 135</b>	<b>23 928</b>	<b>16 308</b>	<b>-35.73</b>
<b>Expenditure:</b>					
Contracted Services	839	1 600	2 164	1 813	<b>11.77</b>
Debt Impairment	2 122	2 475	3 460	2 785	<b>11.13</b>
Depreciation and Amortisation	3 780	2 804	5 906	5 713	<b>50.93</b>
Employee Related Costs	3 689	3 420	4 874	4 825	<b>29.12</b>
Other Expenditure	1 356	1 389	3 143	3 124	<b>55.54</b>
<b>Total Operational Expenditure</b>	<b>11 786</b>	<b>11 687</b>	<b>19 547</b>	<b>18 260</b>	<b>36.00</b>
<b>Net Operational (Service)</b>	<b>5 148</b>	<b>10 448</b>	<b>4 381</b>	<b>(1 952)</b>	<b>635.23</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 186: Financial Performance: Waste Water (Sanitation) Services

## 5.2.3 Electricity

Description	2020/21	2021/22			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	104 584	128 584	129 662	118 428	<b>-8.58</b>
<b>Expenditure:</b>					
Bulk Purchases	81 771	100 857	94 552	93 891	<b>-7.42</b>
Contracted Services	318	527	2 613	2 880	<b>81.70</b>
Debt Impairment	3 736	2 331	3 645	3 359	<b>30.61</b>
Depreciation and Amortisation	4 200	4 649	4 597	4 108	<b>-13.17</b>
Employee Related Costs	6 685	6 272	7 384	7 294	<b>14.01</b>
Other Expenditure	1 421	1 315	1 791	1 689	<b>22.13</b>
<b>Total Operational Expenditure</b>	<b>98 130</b>	<b>115 951</b>	<b>114 583</b>	<b>113 221</b>	<b>-2.41</b>
<b>Net Operational (Service)</b>	<b>6 454</b>	<b>12 633</b>	<b>15 079</b>	<b>5 207</b>	<b>-142.63</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 187: Financial Performance: Electricity

## 5.2.4 Waste Management

Description	2020/21	2021/22			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>11 364</b>	<b>21 032</b>	<b>23 006</b>	<b>14 330</b>	<b>-46.77</b>
<b>Expenditure:</b>					
Contracted Services	1 134	1 386	1 962	1 990	<b>30.34</b>
Debt Impairment	2 155	1 835	2 331	2 356	<b>22.12</b>
Depreciation and Amortisation	2 548	1 178	1 966	1 960	<b>39.91</b>
Employee Related Costs	10 207	10 166	11 394	11 291	<b>9.96</b>
Other Expenditure	1 207	1 027	1 870	1 648	<b>37.67</b>
<b>Total Operational Expenditure</b>	<b>17 251</b>	<b>15 592</b>	<b>19 523</b>	<b>19 244</b>	<b>18.98</b>
<b>Net Operational (Service)</b>	<b>(5 887)</b>	<b>5 441</b>	<b>3 482</b>	<b>(4 914)</b>	<b>210.71</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 188: Financial Performance: Waste Management

## 5.2.5 Housing

Description	2020/21	2021/22			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>0</b>	<b>19 729</b>	<b>23 239</b>	<b>21 911</b>	<b>9.96</b>
<b>Expenditure:</b>					
Contracted Services	48	19 570	23 060	21 757	<b>10.05</b>
Depreciation and Amortisation	23	27	13	19	<b>-41.27</b>
Employee Related Costs	2 447	2 729	2 699	2 699	<b>-1.12</b>
Other Expenditure	52	148	128	96	<b>-54.38</b>
<b>Total Operational Expenditure</b>	<b>2 571</b>	<b>22 473</b>	<b>25 900</b>	<b>24 570</b>	<b>8.53</b>
<b>Net Operational (Service)</b>	<b>(2 571)</b>	<b>(2 744)</b>	<b>(2 660)</b>	<b>(2 660)</b>	<b>-3.17</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 189: Financial Performance: Housing

## 5.2.6 Roads and Stormwater

Description	2020/21	2021/22			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>0</b>	<b>611</b>	<b>1 076</b>	<b>377</b>	<b>-62.15</b>
<b>Expenditure:</b>					
Contracted Services	503	765	855	325	-135.42
Depreciation and Amortisation	5 827	4 490	6 015	5 804	22.64
Employee Related Costs	5 834	6 091	6 469	6 397	4.80
Other Expenditure	875	1 572	1 730	1 326	-18.60
<b>Total Operational Expenditure</b>	<b>13 039</b>	<b>12 918</b>	<b>15 069</b>	<b>13 852</b>	<b>6.75</b>
<b>Net Operational (Service)</b>	<b>(13 039)</b>	<b>(12 307)</b>	<b>(13 993)</b>	<b>(13 475)</b>	<b>8.67</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 190: Financial Performance: Roads and Stormwater

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

Description	2020/21	2021/22			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>2 677</b>	<b>2 570</b>	<b>2 774</b>	<b>2 684</b>	<b>4.26</b>
<b>Expenditure:</b>					
Contracted Services	150	421	240	116	-261.75
Depreciation and Amortisation	43	50	39	37	-35.06
Employee Related Costs	3 737	3 659	3 645	3 649	-0.25
Other Expenditure	127	260	193	129	-102.49
<b>Total Operational Expenditure</b>	<b>4 057</b>	<b>4 389</b>	<b>4 117</b>	<b>3 931</b>	<b>-11.66</b>
<b>Net Operational (Service)</b>	<b>(1 379)</b>	<b>(1 819)</b>	<b>(1 343)</b>	<b>(1 247)</b>	<b>-45.93</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 191: Financial Performance: Planning

## 5.2.8 LED

Description	2020/21	2021/22			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>Expenditure:</b>					
Contracted Services	0	0	0	0	<b>0.00</b>
Depreciation and Amortisation	0	0	0	0	<b>0.00</b>
Employee Related Costs	2 458	2 596	2 959	2 927	<b>11.29</b>
Other Expenditure	20	21	24	24	<b>10.73</b>
Transfers and grants	13	300	100	50	<b>-500.00</b>
<b>Total Operational Expenditure</b>	<b>2 490</b>	<b>2 917</b>	<b>3 083</b>	<b>3 000</b>	<b>2.77</b>
<b>Net Operational (Service)</b>	<b>(2 490)</b>	<b>(2 917)</b>	<b>(3 083)</b>	<b>(3 000)</b>	<b>2.77</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 192: Financial Performance: LED

## 5.2.9 Libraries

Description	2020/21	2021/22			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>5 033</b>	<b>5 312</b>	<b>5 362</b>	<b>5 321</b>	<b>0.18</b>
<b>Expenditure:</b>					
Contracted Services	0	0	0	0	<b>0.00</b>
Depreciation and Amortisation	139	153	147	133	<b>-14.68</b>
Employee Related Costs	4 976	5 627	5 367	5 367	<b>-4.84</b>
Other Expenditure	71	193	244	221	<b>12.96</b>
<b>Total Operational Expenditure</b>	<b>5 186</b>	<b>5 972</b>	<b>5 792</b>	<b>5 722</b>	<b>-4.38</b>
<b>Net Operational (Service)</b>	<b>(153)</b>	<b>(660)</b>	<b>(430)</b>	<b>(400)</b>	<b>-65.02</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 193: Financial Performance: Libraries



## 5.2.10 Traffic and Law Enforcement

Description	2020/21	2021/22			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>13 953</b>	<b>18 648</b>	<b>11 585</b>	<b>11 990</b>	<b>-55.52</b>
<b>Expenditure:</b>					
Contracted Services	1 803	880	948	726	-21.15
Debt Impairment	8 812	11 079	6 633	7 976	-38.90
Depreciation and Amortisation	70	76	68	111	31.53
Employee Related Costs	10 053	10 381	11 099	10 899	4.75
Other Expenditure	683	614	852	797	22.98
<b>Total Operational Expenditure</b>	<b>21 421</b>	<b>23 030</b>	<b>19 601</b>	<b>20 510</b>	<b>-12.29</b>
<b>Net Operational (Service)</b>	<b>(7 469)</b>	<b>(4 383)</b>	<b>(8 016)</b>	<b>(8 519)</b>	<b>48.56</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 194: Financial Performance: Traffic and Law Enforcement

## 5.2.11 Fire Services and Disaster Management

Description	2020/21	2021/22			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>9</b>	<b>9</b>	<b>4</b>	<b>2</b>	<b>0.00</b>
<b>Expenditure:</b>					
Contracted Services	1 869	2 659	2 684	1 362	-95.20
Depreciation and Amortisation	4	5	3	2	-117.48
Employee Related Costs	663	568	1 108	1 073	47.09
Other Expenditure	703	288	574	395	27.02
Transfers and Grants	0	0	0	0	0.00
<b>Total Operational Expenditure</b>	<b>3 240</b>	<b>3 520</b>	<b>4 369</b>	<b>2 832</b>	<b>-24.29</b>
<b>Net Operational (Service)</b>	<b>(3 231)</b>	<b>(3 511)</b>	<b>(4 366)</b>	<b>(2 830)</b>	<b>-24.06</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 195: Financial Performance: Fire Services and Disaster Management

## 5.2.12 Holiday Resorts and Campsites

Description	2020/21	2021/22			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>1 631</b>	<b>1 814</b>	<b>2 490</b>	<b>2 526</b>	<b>28.20</b>
<b>Expenditure:</b>					
Contracted Services	15	95	37	26	-267.16
Depreciation and Amortisation	153	164	178	159	-3.12
Employee Related Costs	4 485	4 237	4 604	4 518	6.22
Other Expenditure	145	297	347	282	-5.36
<b>Total Operational Expenditure</b>	<b>4 798</b>	<b>4 794</b>	<b>5 165</b>	<b>4 985</b>	<b>3.85</b>
<b>Net Operational (Service)</b>	<b>(3 167)</b>	<b>(2 980)</b>	<b>(2 676)</b>	<b>(2 460)</b>	<b>-21.16</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 196: Financial Performance: Holiday Resorts and Campsites

## 5.2.13 Stadiums and Sport Ground

Description	2020/21	2021/22			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>1 382</b>	<b>4</b>	<b>238</b>	<b>461</b>	<b>99.19</b>
<b>Expenditure:</b>					
Contracted Services	835	249	307	279	10.58
Depreciation and Amortisation	497	547	511	491	-11.43
Employee Related Costs	6 351	6 649	6 782	6 750	1.49
Other Expenditure	451	718	923	637	-12.73
<b>Total Operational Expenditure</b>	<b>8 133</b>	<b>8 163</b>	<b>8 523</b>	<b>8 156</b>	<b>-0.08</b>
<b>Net Operational (Service)</b>	<b>(6 751)</b>	<b>(8 159)</b>	<b>(8 285)</b>	<b>(7 695)</b>	<b>-6.03</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 197: Financial Performance: Swimming Pools and Sport Grounds

## 5.2.14 Community Facilities and Thusong Centres

Description	2020/21	Contracted Services			
	Actual	Depreciation and Amortisation	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>173</b>	<b>163</b>	<b>215</b>	<b>214</b>	<b>23.51</b>
<b>Expenditure:</b>					
Contracted Services	149	187	151	120	<b>-55.63</b>
Depreciation and Amortisation	31	32	68	28	<b>-12.22</b>
Employee Related Costs	669	760	727	734	<b>-3.48</b>
Other Expenditure	50	61	49	47	<b>-30.67</b>
<b>Total Operational Expenditure</b>	<b>899</b>	<b>1,039</b>	<b>995</b>	<b>929</b>	<b>-11.86</b>
<b>Net Operational (Service)</b>	<b>(725)</b>	<b>(876)</b>	<b>(780)</b>	<b>(715)</b>	<b>-22.42</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 198: Financial Performance: Community Facilities and Thusong Centres

## 5.2.15 Financial Services

Description	2020/21	2021/22			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>55 146</b>	<b>58 129</b>	<b>56 923</b>	<b>59 353</b>	<b>2.06</b>
<b>Expenditure:</b>					
Contracted Services	1 062	1 660	4 776	4 334	<b>61.70</b>
Debt Impairment	9 066	6 820	7 557	2 720	<b>-150.77</b>
Depreciation and Amortisation	894	957	883	878	<b>-8.96</b>
Employee Related Costs	19 215	19 032	21 641	19 817	<b>3.96</b>
Finance Charges	11 585	10 917	11 759	12 206	<b>10.56</b>
Other Expenditure	5 442	5 722	6 260	6 009	<b>4.77</b>
Loss on Disposal of PPE	0	0	0	0	<b>0.00</b>
<b>Total Operational Expenditure</b>	<b>47 264</b>	<b>45 108</b>	<b>52 876</b>	<b>45 963</b>	<b>1.86</b>
<b>Net Operational (Service)</b>	<b>7 882</b>	<b>13 021</b>	<b>4 047</b>	<b>13 390</b>	<b>2.75</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 199: Financial Performance: Financial Services

## 5.2.16 Office of the Municipal Manager

Description	2020/21	2021/22			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>54 220</b>	<b>9 527</b>	<b>9 527</b>	<b>49 959</b>	<b>80.93</b>
<b>Expenditure:</b>					
Contracted Services	1 321	1 235	1 388	1 196	-3.25
Depreciation and Amortisation	78	88	66	63	-40.05
Employee Related Costs	6 532	6 806	6 915	6 664	-2.13
Other Expenditure	2 001	2 566	2 794	2 327	-10.25
Remuneration of Councillors	5 572	5 591	5 173	5 000	-11.82
Transfers and grants	113	304	100	98	-208.54
<b>Total Operational Expenditure</b>	<b>15 617</b>	<b>16 589</b>	<b>16 436</b>	<b>15 349</b>	<b>-8.08</b>
<b>Net Operational (Service)</b>	<b>38 603</b>	<b>(7 062)</b>	<b>(6 909)</b>	<b>34 610</b>	<b>120.40</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 200: Financial Performance: Office of the Municipal Manager

## 5.2.17 Administration

Description	2020/21	2021/22			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>5 477</b>	<b>10 460</b>	<b>8 452</b>	<b>5 976</b>	<b>-75.03</b>
<b>Expenditure:</b>					
Contracted Services	6 241	8 026	18 216	16 296	50.75
Depreciation and Amortisation	812	870	772	871	0.09
Employee Related Costs	20 004	21 716	22 766	21 884	0.77
Other Expenditure	8 553	7 177	9 131	8 090	11.28
Transfers and grants	50	30	20	0	0.00
<b>Total Operational Expenditure</b>	<b>35 660</b>	<b>37 820</b>	<b>50 905</b>	<b>47 141</b>	<b>19.77</b>
<b>Net Operational (Service)</b>	<b>(30 183)</b>	<b>(27 360)</b>	<b>(42 453)</b>	<b>(41 165)</b>	<b>33.54</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 201: Financial Performance: Administration

## 5.2.18 Human Resources

Description	2020/21	2021/22			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	<b>260</b>	<b>445</b>	<b>590</b>	<b>340</b>	<b>-30.78</b>
<b>Expenditure:</b>					
Contracted Services	480	526	117	101	<b>-418.82</b>
Depreciation and Amortisation	18	20	15	17	<b>0.00</b>
Employee Related Costs	3 471	3 669	3 675	3 638	<b>-0.84</b>
Other Expenditure	635	875	1 017	758	<b>-15.43</b>
Transfers and grants	314	250	395	95	<b>-162.41</b>
<b>Total Operational Expenditure</b>	<b>4 918</b>	<b>5 340</b>	<b>5 219</b>	<b>4 609</b>	<b>-15.85</b>
<b>Net Operational (Service)</b>	<b>(4 658)</b>	<b>(4 895)</b>	<b>(4 629)</b>	<b>(4 269)</b>	<b>-14.66</b>
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 202: Financial Performance: Human Resources

## 5.3 GRANTS

## 5.3.1 Grant Performance

Description	2020/21	2021/22			2021/22 Variance	
	Actual	Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000					%
<b>Operating Transfers and Grants</b>						
<b>National Government:</b>	<b>114 105</b>	<b>96 742</b>	<b>123 327</b>	<b>112 018</b>	<b>13.64</b>	<b>-10.10</b>
Equitable share	60 767	55 044	55 044	55 044	0.00	0.00
Municipal Infrastructure Grant (MIG)	15 899	16 320	16 320	12 634	-29.17	-29.17
Financial Management Grant (FMG)	2 011	2 023	2 023	2 023	0.00	0.00
Integrated National Electrification Programme (INEP)	17 000	17 000	17 000	17 000	0.00	0.00
Expanded Public Works Program (EPWP)	2 121	1 755	1 755	1 755	0.00	0.00
Water Service Infrastructure Grant (WSIG)	16 308	4 600	4 600	3 093	-48.74	-48.74
Regional Bulk Infrastructure Grant (RBIG)	0	0	26 585	20 470	100.00	-29.88
<b>Provincial Government:</b>	<b>5 765</b>	<b>25 423</b>	<b>35 081</b>	<b>29 647</b>	<b>14.25</b>	<b>-18.33</b>
Library Services MRF	5 026	5 297	5 302	5 302	0.09	0.00

Description	2020/21	2021/22			2021/22 Variance	
	Actual	Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Library Services MRF Capital	0	5	0	0	0.00	0.00
CDW Support	0	151	151	72	-110.06	-110.06
Local Government Graduate Internship Grant	41	0	39	39	100.00	0.00
Financial Management Support Grant	199	0	1 259	1 259	0.00	0.00
Municipal Capacity Building Grant	350	250	795	96	-160.97	-729.86
Thusong Service Centre Grant	148	150	150	138	-8.58	-8.58
Human Settlement Development Grant	0	19 500	26 010	21 728	0.00	0.00
Transport Infrastructure Grant	0	70	70	0	0.00	0.00
Municipal Library Support Grant	0	0	205	2	0.00	0.00
Public Employment Support Grant	0	0	1 100	1 010	0.00	0.00
<b>Other grant providers:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
West Coast District Municipality	0	0	0	0	0.00	0.00
<b>Total Operating Transfers and Grants</b>	<b>119 870</b>	<b>122 165</b>	<b>158 408</b>	<b>141 665</b>	<b>13.76</b>	<b>-11.82</b>

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

Table 203: Grant Performance for 2021/22

### 5.3.2 Conditional Grants

Details	2020/21	2021/22			2021/22 Variance	
	Actual	Budget	Adjustments Budget	Actual	Variance	
	Actual (Audited Outcome)				Budget	Adjustments Budget
R'000				%		
<b>Operating Expenditure of Transfers and Grants</b>						
<b>National Government</b>						
Municipal Infrastructure Grant (MIG)	2 715	2 816	2 838	2 481	-13.49	-14.40
Financial Management Grant (FMG)	2 011	2 023	2 023	2 023	0.00	0.00
Integrated National Electrification Programme (INEP)	2 217	2 217	2 217	2 037	-8.86	-8.86
Expanded Public Works Program (EPWP)	2 121	1 755	1 755	1 755	0.00	0.00

Details	2020/21	2021/22			2021/22 Variance	
	Actual	Budget	Adjustments Budget	Actual	Variance	
	Actual (Audited Outcome)				Budget	Adjustments Budget
	R'000				%	
Water Service Infrastructure Grant (WSIG)	2 037	600	600	377	-59.28	-59.28
Regional Bulk Infrastructure Grant (RBIG)	0	0	3 468	2 670	100.00	-29.88
<b>Provincial Government</b>						
Library Services MRF	5 026	5 297	5 302	5 302	0.09	0.00
CDW Support	0	151	151	72	-110.06	-110.06
Local Government Graduate Internship Grant	41	0	39	39	100.00	0.00
Financial Management Support Grant	199	0	1 259	1 259	100.00	0.03
Municipal Capacity Building Grant	350	250	795	96	-160.97	-729.86
Thusong Service Centre Grant	148	150	150	138	-8.58	-8.58
Human Settlement Development Grant	0	19 500	23 010	21 728	10.26	-5.90
Transport Infrastructure Grant	0	70	70	0	0.00	0.00
Public Employment Support Grant	0	0	1 100	1 010	100.00	-8.90
Municipal Library Support Grant	0	0	45	2	100.00	-2226.99
<b>Other Grant Providers</b>						
West Coast District Municipality - COVID 19	0	0	0	0	0.00	0.00
<b>Capital Expenditure of Transfers and Grants</b>						
<b>National Government</b>						
Municipal Infrastructure Grant (MIG)	13 184	13 504	13 482	10 153	-33.01	-32.78
Integrated National Electrification Programme (INEP)	14 783	14 783	14 783	14 963	1.21	1.21
Water Service Infrastructure Grant (WSIG)	14 271	4 000	4 000	2 716	-47.28	-47.28
Regional Bulk Infrastructure Grant (RBIG)	0	0	23 117	17 800	100.00	-29.88
<b>Provincial Government:</b>						
Library Services MRF Capital	0	5	0	0	0.00	0.00
Human Settlement Development Grant	0	0	3,000	0	0.00	0.00
Municipal Library Support Grant	0	0	160	0	0.00	0.00
<b>Total</b>	<b>59 103</b>	<b>67 121</b>	<b>103 364</b>	<b>86 621</b>	<b>22.51</b>	<b>-19.33</b>

Details	2020/21	2021/22			2021/22 Variance	
	Actual	Budget	Adjustments Budget	Actual	Variance	
	Actual (Audited Outcome)				Budget	Adjustments Budget
	R'000				%	
<i>Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual</i>						

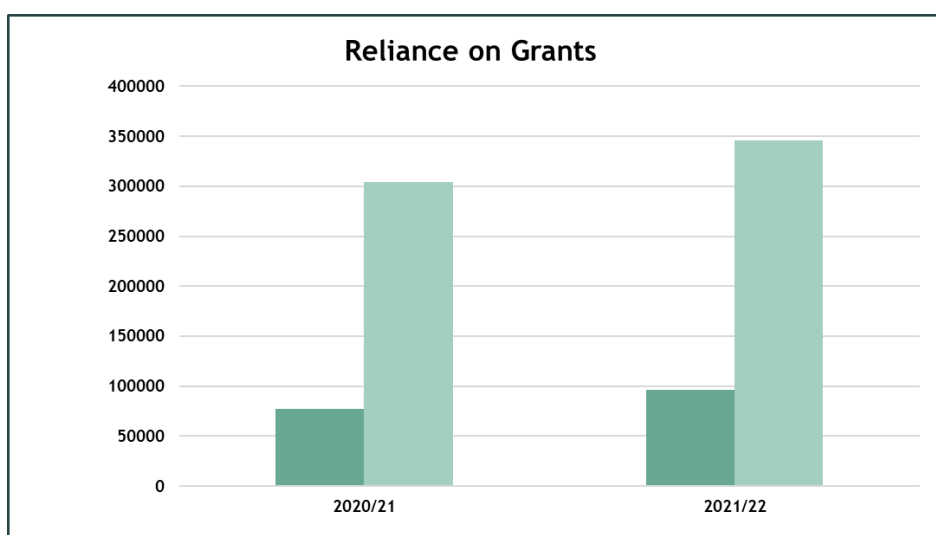
Table 204: Conditional Grant

### 5.3.3 Level of Reliance on Grants & Subsidies

Financial year	Total grants and subsidies received	Total Operating Revenue	Percentage
	R'000		%
2020/21	77 633	303 880	<b>25.55</b>
2021/22	96 033	345 502	<b>27.80</b>

Table 205: 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		
<b>Name</b>	<b>Desalination</b>	
<b>Description</b>	Lamberts Bay Desalination Plant	
<b>Asset Type</b>	Water Supply Infrastructure	
<b>Key Staff Involved</b>	Alonzo Allison	
<b>Asset Value as at 30 June 2020</b>	<b>2020/21 R million</b>	<b>2021/22 R million</b>
	58 789	65 664
<b>Capital Implications</b>	None	
<b>Future Purpose of Asset</b>	Water Supply to the town	
<b>Describe Key Issues</b>	Funding for this project was made available with the DoRA for 2021/22. Project recommenced September 2021. Estimated duration of the project was 6 months with projected completion date at 31 March 2022. Due to geo-technical complications the project has been delayed. Current estimated completion date is end of October 2022.	
<b>Policies in Place to Manage Asset</b>	Assets Management Policy/ Supply Chain Management Policy	

Table 206: Asset 1

Asset 2		
<b>Name</b>	<b>INEP - Bulk Electricity Upgrade Clanwilliam</b>	
<b>Description</b>	Electricity upgrades	
<b>Asset Type</b>	Electricity Infrastructure	
<b>Key Staff Involved</b>	Randall September	
<b>Asset Value as at 30 June 2020</b>	<b>2020/21 R million</b>	<b>2021/22 R million</b>
	19 418	34 381
<b>Capital Implications</b>	Grant	
<b>Future Purpose of Asset</b>	Electrical Supply - Clanwilliam	
<b>Describe Key Issues</b>	Budget Quote from Eskom was received and the Connection fee was paid to Eskom. Council resolved on 12 April to make provision for the guarantee amount. Design approval submitted and released by ESKOM. 90% of material procured, construction work to commence in July 2022.	
<b>Policies in Place to Manage Asset</b>	Assets Management Policy	

Table 207: Asset 2

Asset 3	
<b>Name</b>	<b>Upgrade Sportsfield Clanwilliam</b>
<b>Description</b>	Upgrade of the Sport field

Asset 3		
<b>Asset Type</b>	Community Assets	
<b>Key Staff Involved</b>	Alonzo Allison	
<b>Asset Value as at 30 June 2020</b>	<b>2020/21 R million</b>	<b>2021/22 R million</b>
	7 959	9 693
<b>Capital Implications</b>	N/A	
<b>Future Purpose of Asset</b>	Upgraded sport field	
<b>Describe Key Issues</b>	Funding has been made available in the 2021/22 financial year for remaining upgrades. Miscellaneous items to be completed in the 2022/23 financial year. Roll over application to be submitted by end of August 2022.	
<b>Policies in Place to Manage Asset</b>	Assets Management Policy	

Table 208: Asset 3

#### 5.4.2 Repairs and Maintenance

Description	2020/21	2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Budget variance
		R' 000			
Repairs and Maintenance Expenditure	6 350	27 285	31 989	8 844	-72.35

Table 209: Repairs &amp; Maintenance

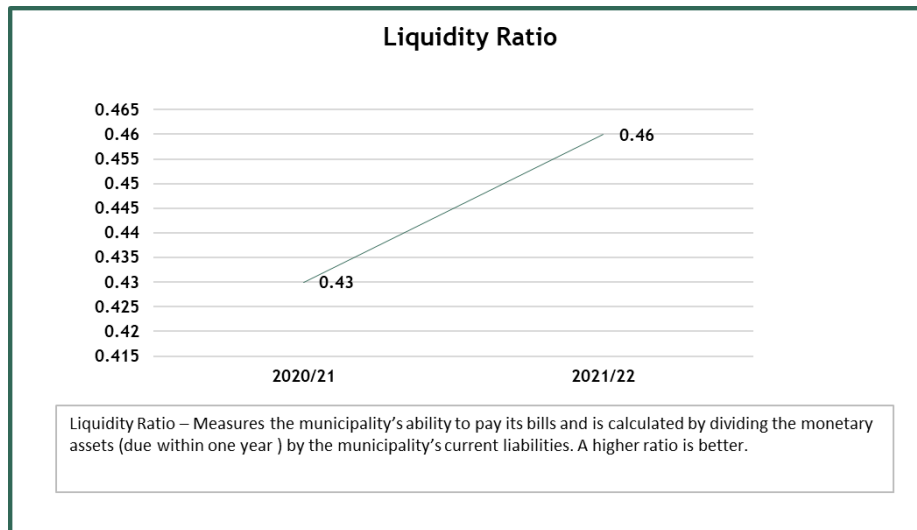
### 5.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

#### 5.5.1 Liquidity Ratio

Description	Basis of calculation	2020/21	2021/22
Current Ratio	Current assets/current liabilities	0.44	0.47
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.44	0.47
Liquidity Ratio	Monetary assets/current liabilities	0.43	0.46

Table 210: Liquidity Financial Ratio

The following graph indicates the municipality's Liquidity Ratio as percentage for the last two financial years

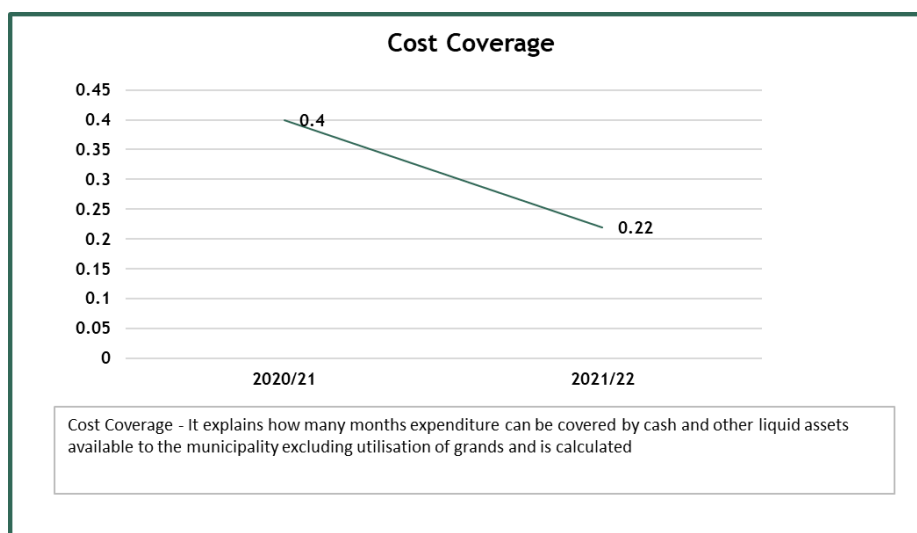


Graph 6: Liquidity Ratio

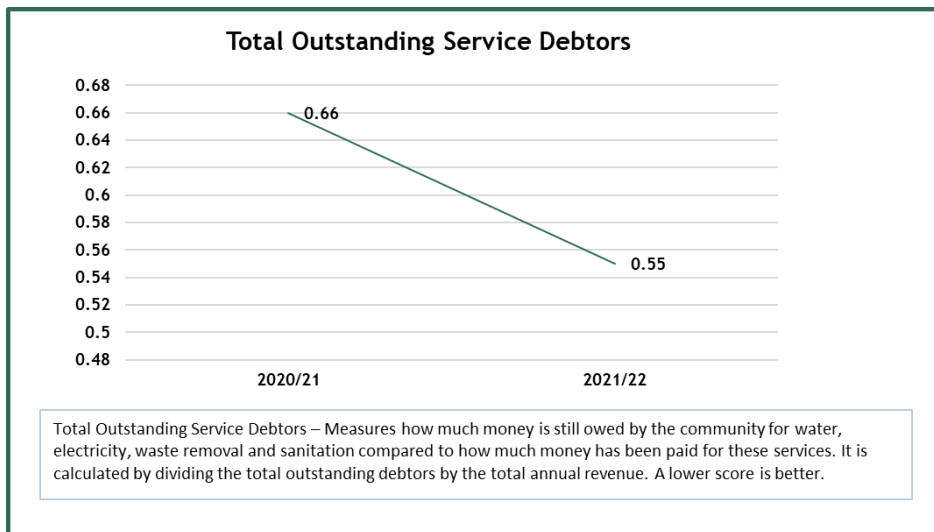
## 5.5.2 IDP Regulation Financial Viability Indicators

Description	Basis of calculation	2020/21	2021/22
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.40	0.22
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.66	0.55
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	44.41	67.92

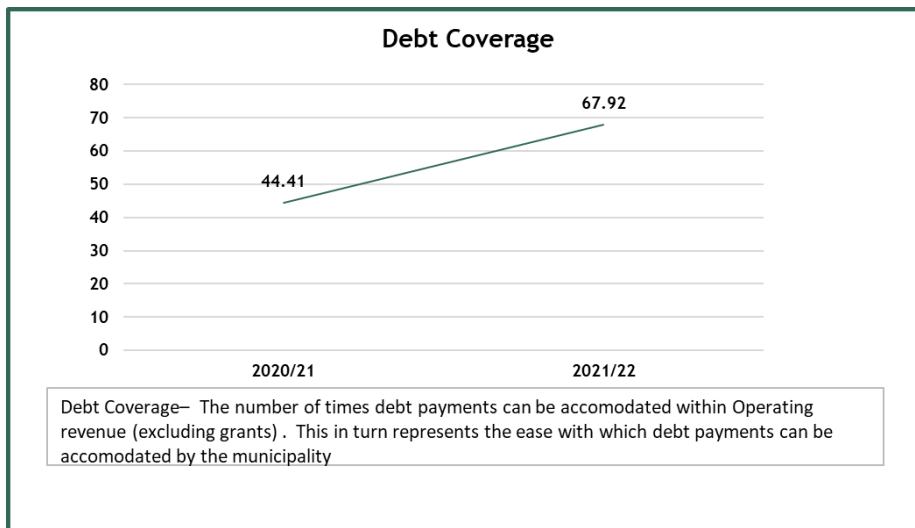
Table 211: Financial Viability National KPAs



Graph 7: Cost Coverage



Graph 8: Total Outstanding Service Debtors



Graph 9: Debt Coverage

### 5.5.3 Borrowing Management

Description	Basis of calculation	2020/21	2021/22
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.05%	1.71%

Table 212: Borrowing Management

### 5.5.4 Employee costs

Description	Basis of calculation	2020/21	2021/22
Employee costs	Employee costs/(Total Revenue - capital revenue)	40.74%	38.32%

Table 213: Employee Costs

### 5.5.5 Repairs & Maintenance

Description	Basis of calculation	2020/21	2021/22
Repairs & Maintenance	R&M (Total Revenue excluding capital revenue)	2.09%	2.56%

Table 214: Repairs & Maintenance

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### 5.6 SOURCES OF FINANCE

#### 5.6.1 Capital Expenditure by New Assets Program

Description	2020/21	2021/22			Planned Capital expenditure		
	Audited outcome	Original Budget	Adjustment Budget	Actual Expenditure	2022/23	2023/24	2023/24
<b>R'000</b>							
<b>Capital expenditure by Asset Class</b>							
<b>Infrastructure - Total</b>	<b>42 180</b>	<b>39 784</b>	<b>60 197</b>	<b>44 207</b>	<b>58 684</b>	<b>48 823</b>	<b>48 184</b>
<b>Infrastructure: Road transport - Total</b>	<b>351</b>	<b>6 877</b>	<b>4 508</b>	<b>2 699</b>	<b>2 471</b>	<b>15 685</b>	<b>7 961</b>
Roads, Pavements & Bridges	351	6 757	4 508	2 699	2 471	15 685	7 961
Storm water	0	120	0	0	0	0	0
<b>Infrastructure: Electricity - Total</b>	<b>14 938</b>	<b>19 767</b>	<b>18 125</b>	<b>15 220</b>	<b>22 320</b>	<b>11 265</b>	<b>9,995</b>
Generation	0	0	0	0	0	0	0
Transmission & Reticulation	14 938	19 767	18 125	15 220	22 320	11 265	9,995

Description	2020/21	2021/22			Planned Capital expenditure		
	Audited outcome	Original Budget	Adjustment Budget	Actual Expenditure	2022/23	2023/24	2023/24
<b>R'000</b>							
Street Lighting	0	0	0	0	0	0	0
<b>Infrastructure: Water - Total</b>	<b>7 165</b>	<b>5 583</b>	<b>30 061</b>	<b>21 492</b>	<b>20 903</b>	<b>21 872</b>	<b>22,884</b>
Dams & Reservoirs	7 165	5 433	30 061	21 492	20 903	13 177	13,797
Water purification	0	150	0	0	0	8 696	9,087
Reticulation	0	0	0	0	0	0	0
<b>Infrastructure: Sanitation - Total</b>	<b>19 727</b>	<b>7 557</b>	<b>7 503</b>	<b>4 795</b>	<b>12 990</b>	<b>0</b>	<b>7,344</b>
Reticulation	0	250	1 500	0	12 990	0	0
Sewerage purification	19 727	7 307	6 003	4 795	0	0	7,344
<b>Infrastructure: Other - Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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
<b>Community - Total</b>	<b>1 595</b>	<b>2 678</b>	<b>8 257</b>	<b>3 174</b>	<b>2 139</b>	<b>120</b>	<b>0</b>
Parks & gardens	0	0	0	0	0	0	0
Sports fields & stadia	1 559	0	2 082	1 735	0	0	0
Swimming pools	0	0	0	0	0	0	0
Community halls	0	1 000	4 500	150	2 139	0	0
Libraries	0	0	0	0	0	0	0
Recreational facilities	36	1 528	1 528	1 289	0	0	0
Fire, safety & emergency	0	0	0	0	0	0	0
Security and policing	0	0	0	0	0	0	0
Cemeteries	0	150	146	0	0	120	0
Social rental housing	0	0	0	0	0	0	0
<b>Capital expenditure by Asset Class</b>	<b>676</b>	<b>8 799</b>	<b>9 205</b>	<b>5 866</b>	<b>9 707</b>	<b>1 856</b>	<b>335</b>
<b>Heritage assets - Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Buildings	0	0	0	0	0	0	0
<b>Investment properties - Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Housing development	0	0	0	0	0	0	0
<b>Other assets</b>	<b>676</b>	<b>8 799</b>	<b>9 205</b>	<b>5 866</b>	<b>9 707</b>	<b>1 856</b>	<b>335</b>
General vehicles	0	3 750	6 599	3 324	1 860	0	0
Specialised vehicles	0	0	0	0	0	0	0
Plant & equipment	422	2 258	1 660	1 115	7 350	1 856	335
Computers - hardware/equipment	188	2 028	399	230	497	0	0
Furniture and other office equipment	6	763	547	1 196	0	0	0
Markets	0	0	0	0	0	0	0

Description	2020/21	2021/22			Planned Capital expenditure		
	Audited outcome	Original Budget	Adjustment Budget	Actual Expenditure	2022/23	2023/24	2023/24
<b>R'000</b>							
Other Buildings	30	0	0	0	0	0	0
Other Land	30	0	0	0	0	0	0
<b>Intangibles</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Computers - software & programming	0	0	0	0	0	0	0
<b>Total Capital Expenditure on new assets</b>	<b>44 451</b>	<b>51 262</b>	<b>77 658</b>	<b>53 247</b>	<b>70 530</b>	<b>50 799</b>	<b>48 519</b>

Table 215: Capital Expenditure by New Assets Program

### 5.6.1 Capital Expenditure: Funding Sources

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

Capital Expenditure: Funding Sources						
Details	2020/21	2021/22				
	Audited outcome	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
<b>Source of Finance</b>						
Description	R'000				%	
External loans	0	15,634	10,800	150	0.00	0.00
Public contributions and donations	0	0	0	0	0.00	0.00
Grants and subsidies	42,237	32,292	58,542	45,632	81.29	-39.98
Own funding	2,214	3,335	8,316	7,464	149.34	-25.54
<b>Total</b>	<b>44,451</b>	<b>51,262</b>	<b>77,658</b>	<b>53,247</b>	<b>51.49</b>	<b>-47.62</b>
<b>Percentage of Finance</b>						
External loans	0	30	14	0		
Public contributions and donations	0	0	0	0		
Grants and subsidies	95	63	75	86		
Own funding	5	7	11	14		
<b>Capital Expenditure</b>						
Description	R'000				%	
Water and sanitation	19,727	7,557	7,503	4,795	-0.72	-35.83
Electricity	14,938	19,767	18,125	15,220	-8.31	-14.70
Housing	0	0	0	0	0.00	0.00

Capital Expenditure: Funding Sources						
Details	2020/21	2021/22				
	Audited outcome	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
<b>Source of Finance</b>						
Description	R'000				%	
Roads and storm water	351	6,877	4,508	2,699	-34.45	-26.31
Other	9,436	17,061	47,522	30,532	178.55	-99.59
<b>Total</b>	<b>44,451</b>	<b>51,262</b>	<b>77,658</b>	<b>53,247</b>	<b>51.49</b>	<b>-47.62</b>
<b>Percentage of Expenditure</b>						
Water and sanitation	44	15	10	9		
Electricity	34	39	23	29		
Housing	0	0	0	0		
Roads and stormwater	1	13	6	5		
Other	21	33	61	57		

Table 216: Capital Expenditure by Funding Source

## 5.6.2 Capital Spending on Largest Capital Projects

Name of Project	2021/22				
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment variance
	R'000			%	
MIG: Upgrade Roads and Stormwater Infrastructure - Citrusdal	4 073	4 508	2 699	-33.74%	-40.13%
INEP - Bulk Electricity Upgrade Clanwilliam	14 783	14 783	14 963	1.22%	1.22%
MIG: WWTW Citrusdal	7 307	6 003	4 795	-34.37%	-20.11%
Construction of Multi-Purpose Centre (Phase 1) Graafwater	1 000	4 500	150	-84.96%	-96.66%
RBIG - Lambert's Bay Regional Water Supply and	0	23 117	17 800	0	-23.00%
<b>Name of Project - A</b>	<b>MIG: Upgrade Roads and Stormwater Infrastructure - Citrusdal</b>				
<b>Objective of Project</b>	Upgrade Roads and Stormwater Infrastructure Citrusdal				
<b>Delays</b>	The contract could not be completed successfully. The contract has been terminated. The client and contractor are currently engaging in an adjudication process. The outstanding portion of work will have to be re-advertised through as a competitive bidding process and a prospective contractor shall have to complete the work.				
<b>Future Challenges</b>	A second procurement process will take a few months and will extend the completion date of the project				



<b>Anticipated citizen benefits</b>	Citrusdal
<b>Name of Project - B</b>	<b>INEP - Bulk Electricity Upgrade Clanwilliam</b>
<b>Objective of Project</b>	Bulk Electricity Upgrade Clanwilliam
<b>Delays</b>	None
<b>Future Challenges</b>	None
<b>Anticipated citizen benefits</b>	Clanwilliam
<b>Name of Project - C</b>	<b>MIG: WWTW Citrusdal</b>
<b>Objective of Project</b>	Construction of a Pump Station to transport treated effluent to Citrusdal Golf Course
<b>Delays</b>	Unsuccessful roll-over application resulted in the return of a portion of the project funds. This consequently extends the completion date of the project.
<b>Future Challenges</b>	The Municipality will have to complete outstanding mechanical and electrical works by means of own funding.
<b>Anticipated citizen benefits</b>	MIG: WWTW Citrusdal
<b>Name of Project - D</b>	<b>Construction of Multi-Purpose Centre (Phase 1) Graafwater</b>
<b>Objective of Project</b>	Construct a Multi-Purpose Centre in Graafwater
<b>Delays</b>	This project was converted from an own funding project to a grant funded project. The scope of works was extended and grant funding was applied for. This application is still in process and consequently the implementation timeframe of the project is extended.
<b>Future Challenges</b>	No future challenges are anticipated
<b>Anticipated citizen benefits</b>	Graafwater
<b>Name of Project - E</b>	<b>RBIG - Lambert's Bay Regional Water Supply</b>
<b>Objective of Project</b>	Construction of Marine Outfall
<b>Delays</b>	The contractor has encountered major geotechnical complications that prevent successful completion of the project by means of the current methodology. The contract has been temporarily suspended until a practically implementable way forward is developed
<b>Future Challenges</b>	The delay in successful completion of the project might have an impact on the security of grant funding for the project. Secondly, the delay in the completion of the project has a negative impact on the assurance of water supply for Lambertsbay
<b>Anticipated citizen benefits</b>	Lamberts Bay

Table 217: Capital Spending on Largest Capital Projects

### 5.6.3 Municipal Infrastructure Grant (MIG) Expenditure on Service Backlogs

The table below indicates the MIG expenditure on service backlogs:

MIG Expenditure on Service Backlogs					
Details	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjustment Budget
	R'000			%	%
<b>Infrastructure - Water</b>	<b>573</b>	<b>573</b>	<b>500</b>	<b>0.00</b>	<b>0.00</b>
Reservoirs	573	573	500	0.00	0.00
<b>Infrastructure - Sanitation</b>	<b>7 307</b>	<b>6 003</b>	<b>4 795</b>	<b>-52.38</b>	<b>-25.18</b>
Sewerage purification	7 307	6 003	4 795	-52.38	-25.18
<b>Other Specify: Recreational facilities</b>	<b>1 528</b>	<b>2 398</b>	<b>2 158</b>	<b>29.20</b>	<b>-11.09</b>
Outdoor Sport facilities	0	870	870	100.00	0.00
Public Ablution Facilities	693	693	429	-61.80	-61.80
Public Ablution Facilities	835	835	860	2.97	2.97
<b>Roads Infrastructure</b>	<b>4 073</b>	<b>4 508</b>	<b>2 699</b>	<b>-50.91</b>	<b>-67.02</b>
<b>Computer Equipment</b>	<b>23</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total</b>	<b>13 504</b>	<b>13 482</b>	<b>10 153</b>	<b>-33.01</b>	<b>-32.78</b>

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

Table 218: 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	2020/21	2021/22		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
	R'000			
<b>Cash flow from operating activities</b>				
<b>Receipts</b>				
Ratepayers and other	194 601	221 246	220 557	219 184
Government - operating	51 241	89 873	98 934	101 337
Government - capital	42 237	32 292	58 392	45 632
Interest	708	3 269	848	710
Dividends	0	0	0	0
<b>Payments</b>				
Suppliers and employees	(235 294)	(299 215)	(314 639)	(309 825)
Finance charges	(5 422)	(3 970)	(4 166)	(4 758)
Transfers and Grants	(489)	(884)	(633)	(244)
<b>Net cash from/(used) operating activities</b>	<b>47 581</b>	<b>42 611</b>	<b>59 293</b>	<b>52 036</b>
<b>Cash flows from investing activities</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE	351	200	189	0
Decrease (increase) in non-current debtors	0	0	0	0
Decrease (increase) other non-current receivables	(32)	0	32	32
Decrease (increase) in non-current investments	0	0	0	0
<b>Payments</b>				
Capital assets	(50 327)	(51 262)	(74 809)	(44 910)
<b>Net cash from/(used) investing activities</b>	<b>(50 008)</b>	<b>(51 061)</b>	<b>(74 588)</b>	<b>(44 878)</b>
<b>Cash flows from financing activities</b>				
<b>Receipts</b>				
Consumer Deposits	210	53	210	221
Borrowing long term/refinancing	0	15 634	10 800	0
<b>Payments</b>				
Repayment of borrowing	(4 717)	(5 179)	(5 179)	(5 314)
<b>Net cash from/(used) financing activities</b>	<b>(4 508)</b>	<b>10 508</b>	<b>5 831</b>	<b>(5 093)</b>
<b>Net increase/ (decrease) in cash held</b>	<b>(6 935)</b>	<b>2 058</b>	<b>(9 465)</b>	<b>2 065</b>

Cash Flow Outcomes				
R'000				
Description	2020/21	2021/22		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
	R'000			
Cash/cash equivalents at the year begin:	16 685	690	9 750	9 750
Cash/cash equivalents at the yearend:	9 750	2 748	285	11 815

Table 219: 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						
2020/21	34 409	56 054	27 625	0	16 993	135 081
2021/22	35 660	51 144	23 049	0	17 047	126 899
Difference	1 251	(4 910)	(4 577)	0	54	(8 182)
% growth year on year	4	-9	-17	0	0	-6

Note: Figures exclude provision for bad debt

Table 220: 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				
2020/21	19 417	17 248	31 951	66 466	135 081
2021/22	24 626	16 535	22 772	62 967	126 899
Difference	5 209	(713)	(9 179)	(3 499)	(8 182)
% growth year on year	27	-4	-29	-5	-6

Note: Figures exclude provision for bad debt

Table 221: Service Debtor Age Analysis

## 5.10 BORROWING AND INVESTMENTS

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

### 5.10.1 Actual Borrowings

Actual Borrowings		
R' 000		
Instrument	2020/21	2021/22
	R'000	
Long-term loans (annuity/reducing balance)	10 089	7 139
Financial leases	2 392	972
<b>Total</b>	<b>12 481</b>	<b>8 111</b>

Table 222: Actual Borrowings

### 5.10.2 Municipal Investments

Actual Investments		
R'000		
Investment type	2020/21	2021/22
	Actual	
R'000		
Deposits - Bank	4 432	8 557
<b>Total</b>	<b>4 432</b>	<b>8 557</b>

Table 223: 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 2021/22	Total amount committed over previous and future years
		R'000	
Bursaries	n/a	95	n/a
Social Relief	n/a	98	n/a
Tourism	n/a	50	n/a

Table 224: Grants Made by the Municipality

## CHAPTER 6

## COMPONENT A: AUDITOR-GENERAL OPINION 2020/21

## 6.1 AUDITOR-GENERAL REPORT 2020/21

2020/21	
Unqualified without 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 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 225: AG Report on Financial Performance 2020/21

**COMPONENT B: AUDITOR-GENERAL OPINION 2021/22****6.2 AUDITOR-GENERAL REPORT 2021/22**

<b>2021/22</b>	
<b>Unqualified with findings</b>	
<b>Main Issues under emphasis of matter</b>	<b>Corrective steps implemented/to be implemented</b>
<b>Material Impairments</b>	
As disclosed in note 3 to the financial statements, the material losses of R27 582 479 (2021: R21 823 091) was incurred as result of a write-off of irrecoverable receivables form exchange revenue.	Allocating sufficient staff/ capacity to proactively drive the revenue management and debt collection functions and policies, in order to intensify revenue collections.
As disclosed in note 4 to the financial statements, the material losses of R19 121 945 (2021: R28 997 999) was incurred as result of a write-off of irrecoverable receivables form non-exchange revenue.	Allocating sufficient staff/ capacity to proactively drive the revenue management and debt collection functions and policies, in order to intensify revenue collections. Start to handover the property rates debt to the attorneys and attach assets where necessary.
As disclosed in note 10 to the financial statements, material losses of R10 924 655 (2021: R9 539 724) was incurred as a result of an accumulated impairment of the Lamberts Bay Desalination Plant.	The project could not be completed due to a major geotechnical challenge encountered by the Contractor. The Municipality is in consultation with the Department Local Government and National Department Water and Sanitation for funding for a technical specialist opinion on the feasibility of the current methodology and the way forward. A detailed design shall then be based on this opinion and implemented.
<b>Underspending of conditional grants</b>	
As disclosed in note 20 to the financial statements, the municipality materially underspent on the Municipal Infrastructure Grant (MIG) by R3 685 824 (22.58%) and the Water Services Infrastructure Grant (WSIG) by R 1 507 344 (32.77%)	The Municipality has successfully applied for a rollover of unspent MIG funds. These funds shall be spent in the 2022/23 financial year.
<b>Significant litigation</b>	
With reference to note 57.09 in the financial statements, the municipality is the defendant in a claim relating to outstanding payment of R3 508 017. The claim is relating to the electricity supplied to the municipality. The municipality is opposing the claim.	The Municipality has instituted a counter claim based on unlawful use of their electrical supply by the claimant. This forms the basis to cancel the existing agreement. This should be instituted before the return date of the main hearing.

Table 226: AG Report on Financial Performance 2021/22

# List of Abbreviations

## LIST OF ABBREVIATIONS

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



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## Financial Statements

# CEDERBERG LOCAL MUNICIPALITY



## AUDITED ANNUAL FINANCIAL STATEMENTS

30 JUNE 2022

# CEDERBERG LOCAL MUNICIPALITY

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# CEDERBERG LOCAL MUNICIPALITY

## GENERAL INFORMATION

### NATURE OF BUSINESS

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

### LEGAL FORM

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

### JURISDICTION

The Cederberg Local Municipality includes the following areas:

Algeria	Graafwater
Clanwilliam	Leipoltville
Lamberts Bay	Elands Bay
Citrusdal	

### MEMBERS OF THE COUNCIL (AFTER 2021 ELECTION)

Ward 1	Cllr AM Scheepers
Ward 2	Cllr F Kamfer
Ward 3	Cllr M Heins
Ward 4	Cllr PJ Strauss
Ward 5	Cllr WJ Farmer
Ward 6	Cllr TF Waldeck
Proportional	Cllr RR Richards
Proportional	Cllr WC van Neel
Proportional	Cllr RG Witbooi
Proportional	Cllr JH van Heerden
Proportional	Cllr MG Bergh

### MEMBERS OF THE MAYORAL COMMITTEE (AFTER 2021 ELECTION)

Cllr RR Richards (Executive Mayor)  
Cllr JH van Heerden (Deputy Executive Mayor)  
Cllr WJ Farmer (Speaker)  
Cllr TF Waldeck  
Cllr MG Bergh

### MUNICIPAL MANAGER

Mr CP Sheldon (Acting)

### CHIEF FINANCIAL OFFICER

Mr C Appel (Acting)

### AUDIT COMMITTEE

Omar Valley (Chairperson)  
Charles Beukes  
Omphile Sehunelo

### REGISTERED OFFICE

2A Voortrekker Road  
Clanwilliam  
8135

### POSTAL ADDRESS

Private Bag x2  
Clanwilliam  
8135

### MEMBERS OF THE COUNCIL (PRIOR TO 2021 ELECTION)

Ward 1	Vacant
Ward 2	Cllr RV Pretorius
Ward 3	Cllr M Heins
Ward 4	Cllr PJ Strauss
Ward 5	Cllr WJ Farmer
Ward 6	Cllr RG Witbooi
Proportional	Cllr NS Qunta
Proportional	Cllr L Scheepers
Proportional	Cllr F Kamfer
Proportional	Cllr EN Majikejela
Proportional	Cllr FN Sokuyeka

### MEMBERS OF THE MAYORAL COMMITTEE (PRIOR TO 2021 ELECTION)

Cllr NS Qunta (Executive Mayor)  
Cllr L Scheepers (Deputy Executive Mayor)  
Cllr PJ Strauss (Speaker)  
Cllr M Heins  
Cllr F Kamfer



# CEDERBERG LOCAL MUNICIPALITY

## GENERAL INFORMATION

### AUDITORS

Office of the Auditor General (WC)

### PRINCIPLE BANKERS

Standard Bank of South Africa Ltd

### ATTORNEYS

Burger & Marias Attorneys

Clyde en Co Attorneys

Enderstein Van der Merwe

Erasmus & Associates

Grant Spammer Attorneys

KM Ramodike Attorneys

Lizel Venter Attorneys

Mervin Doralingo

Turner Legal Consulting

Visser & Vennote

Webber Wentzel

### 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 2022, which are set out on pages 1 to 91 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

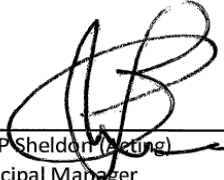
The annual financial statements have been prepared in accordance with GRAP, including any interpretations, guidelines and directives issued by the Accounting Standards Board (ASB).

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 2023 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 CP Sheldon (Acting)  
Municipal Manager

31.08.2022  
Date

# CEDERBERG LOCAL MUNICIPALITY

## STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2022

	Notes	2022 R (Actual)	2021 R (Restated)
<b>ASSETS</b>			
<b>Current Assets</b>		<b>63 254 459</b>	<b>51 763 796</b>
Cash and Cash Equivalents	2	11 815 140	9 749 887
Receivables from Exchange Transactions	3	26 729 374	24 853 639
Receivables from Non-Exchange Transactions	4	14 965 398	11 384 363
Taxes	5	8 289 923	4 461 622
Operating Lease Assets	6	222	4 956
Current Portion of Long-term Receivables	7	-	31 969
Inventory	8	1 454 402	1 277 361
<b>Non-Current Assets</b>		<b>734 369 933</b>	<b>715 489 737</b>
Investment Property	9	74 397 571	77 313 099
Property, Plant and Equipment	10	658 928 369	636 922 279
Intangible Assets	11	1 043 993	1 254 360
<b>Total Assets</b>		<b>797 624 391</b>	<b>767 253 533</b>
<b>Current Liabilities</b>			
		<b>135 682 605</b>	<b>116 558 744</b>
Current Portion of Long-term Liabilities	12	3 725 600	5 178 934
Consumer Deposits	13	2 539 335	2 317 963
Payables from Exchange Transactions	14	109 198 456	95 039 366
Unspent Conditional Government Grants	15	6 385 961	1 081 961
Operating Lease Liabilities	6	4 758	7 570
Current Employee Benefits	16	13 828 494	12 932 949
<b>Non-Current Liabilities</b>		<b>86 218 953</b>	<b>84 676 649</b>
Long-term Liabilities	12	4 385 173	7 302 137
Employee Benefits	17	36 020 000	32 054 000
Non-Current Provisions	18	45 813 780	45 320 512
<b>Total Liabilities</b>		<b>221 901 558</b>	<b>201 235 393</b>
<b>NET ASSETS</b>		<b>575 722 833</b>	<b>566 018 141</b>
<b>COMMUNITY WEALTH</b>			
Accumulated Surplus		575 722 833	566 018 141
		<b>575 722 833</b>	<b>566 018 141</b>

# CEDERBERG LOCAL MUNICIPALITY

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2022

	Notes	2022 R (Actual)	2021 R (Restated)
<b>REVENUE</b>			
<b>REVENUE FROM NON-EXCHANGE TRANSACTIONS</b>		<b>187 641 711</b>	<b>182 151 843</b>
<b>Taxation Revenue</b>		<b>52 403 952</b>	<b>48 155 157</b>
Property Rates	19	52 403 952	48 155 157
<b>Transfer Revenue</b>		<b>123 260 559</b>	<b>119 869 945</b>
Government Grants and Subsidies - Operating	20	74 305 017	77 633 162
Government Grants and Subsidies - Capital	20	45 631 826	42 236 783
Contributed Assets	21	3 323 716	-
<b>Other Revenue</b>		<b>11 977 200</b>	<b>14 126 741</b>
Availability Charges	22	2 729 152	2 505 639
Insurance Refund		33 754	67 793
Fines, Penalties and Forfeits	23	9 181 345	11 553 309
Actuarial Gains	24	32 949	-
<b>REVENUE FROM EXCHANGE TRANSACTIONS</b>		<b>185 200 429</b>	<b>164 153 449</b>
<b>Operating Activities</b>		<b>185 200 429</b>	<b>164 153 449</b>
Service Charges	25	169 584 139	149 056 314
Rental of Facilities and Equipment	26	3 353 370	2 332 616
Interest Earned - external investments	27	749 712	748 598
Interest Earned - outstanding debtors		4 288 314	5 732 914
Agency Services	28	3 671 714	3 719 929
Other Income	29	2 909 674	2 488 906
Gain on disposal of Non-Monetary Assets	41	643 507	74 173
<b>TOTAL REVENUE</b>		<b>372 842 140</b>	<b>346 305 292</b>
<b>EXPENDITURE</b>			
Employee Related Costs	30	133 027 571	122 466 737
Remuneration of Councillors	31	5 000 104	5 571 991
Debt Impairment	32	26 777 123	34 767 004
Depreciation and Amortisation	33	25 347 263	21 752 510
Impairment	34	1 503 145	1 934 832
Finance Charges	35	12 206 355	11 585 070
Bulk Purchases	36	94 693 660	82 528 580
Contracted Services	37	32 970 953	17 281 696
Transfers and Grants	38	243 742	489 056
Other Expenditure	39	30 502 519	26 281 784
Actuarial Losses	40	865 011	1 945 998
<b>TOTAL EXPENDITURE</b>		<b>363 137 446</b>	<b>326 605 255</b>
<b>NET SURPLUS FOR THE YEAR</b>		<b>9 704 694</b>	<b>19 700 037</b>



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# CEDERBERG LOCAL MUNICIPALITY

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

	ACCUMULATED SURPLUS R	TOTAL R
<b>Balance on 30 June 2020</b>	<b>554 370 713</b>	<b>554 370 713</b>
Correction of error restatement - note 42.4	(8 052 610)	(8 052 610)
<b>Balance on 30 June 2020 - Restated</b>	<b>546 318 103</b>	<b>546 318 103</b>
Net Surplus for the year	19 700 038	19 700 038
<b>Balance on 30 June 2021 - Restated</b>	<b>566 018 141</b>	<b>566 018 141</b>
Net Surplus for the year	9 704 692	9 704 692
<b>Balance on 30 June 2022</b>	<b>575 722 833</b>	<b>575 722 833</b>

# CEDERBERG LOCAL MUNICIPALITY

## CASH FLOW STATEMENT FOR THE YEAR ENDING 30 JUNE 2022

	Notes	2022 R (Actual)	2021 R (Restated)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Property Rates		47 817 985	45 968 054
Service Charges and Interest		157 195 927	136 234 055
Other Revenue and Receipts		9 936 605	12 576 839
Government Grants		125 240 843	93 477 794
Investment Interest		709 831	708 122
<b>Payments</b>			
Suppliers and employees		(288 097 071)	(235 294 320)
Finance charges		(4 758 298)	(5 422 493)
Transfers and Grants		(243 742)	(489 056)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>43</b>	<b>47 802 080</b>	<b>47 758 995</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
<b>Receipts</b>			
Proceeds from sale of Property, Plant and Equipment		4 487 200	350 757
<b>Payments</b>			
Purchase of Property, Plant and Equipment		(44 909 904)	(50 327 272)
<b>NET CASH USED INVESTING ACTIVITIES</b>		<b>(40 422 704)</b>	<b>(49 976 516)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
<b>Payments</b>			
Loans repaid		(5 314 123)	(4 717 482)
<b>NET CASH USED FINANCING ACTIVITIES</b>		<b>(5 314 123)</b>	<b>(4 717 482)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>2 065 253</b>	<b>(6 935 003)</b>
Cash and Cash Equivalents at the beginning of the year		9 749 887	16 684 890
Cash and Cash Equivalents at the end of the year		11 815 140	9 749 887

# CEDERBERG LOCAL MUNICIPALITY

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022

	ORIGINAL BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
<b>STATEMENT OF FINANCIAL POSITION</b>					
<b>ASSETS</b>					
<b>Current assets</b>					
Cash	2 747 875	(2 462 864)	285 011	3 258 351	2 973 340
Call investment deposits	-	-	-	8 556 790	8 556 790
Consumer debtors	31 458 347	(5 023 350)	26 434 997	38 827 316	12 392 318
Other Receivables	7 539 998	659 551	8 199 549	11 157 601	2 958 051
Inventory	1 387 542	18 473	1 406 014	1 454 402	48 388
<b>Total current assets</b>	<b>43 133 762</b>	<b>(6 808 191)</b>	<b>36 325 572</b>	<b>63 254 459</b>	<b>26 928 887</b>
<b>Non current assets</b>					
Investment property	77 035 263	(29 415)	77 005 848	74 397 571	(2 608 277)
Property, plant and equipment	670 284 762	27 744 844	698 029 606	658 928 369	(39 101 237)
Intangible Assets	1 015 448	26 911	1 042 359	1 043 993	1 634
<b>Total non current assets</b>	<b>748 335 473</b>	<b>27 742 340</b>	<b>776 077 813</b>	<b>734 369 933</b>	<b>(41 707 881)</b>
<b>TOTAL ASSETS</b>	<b>791 469 235</b>	<b>20 934 150</b>	<b>812 403 385</b>	<b>797 624 391</b>	<b>(14 778 994)</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Borrowing	4 074 297	-	4 074 297	3 725 600	(348 697)
Consumer deposits	2 363 091	164 646	2 527 738	2 539 335	11 597
Trade and other payables	96 133 996	15 570 857	111 704 854	115 589 176	3 884 322
Provisions and Employee Benefits	14 858 054	(1 200 155)	13 657 899	13 828 494	170 595
<b>Total current liabilities</b>	<b>117 429 438</b>	<b>14 535 349</b>	<b>131 964 787</b>	<b>135 682 605</b>	<b>3 717 817</b>
<b>Non current liabilities</b>					
Borrowing	18 861 910	(4 834 227)	14 027 683	4 385 173	(9 642 510)
Provisions and Employee Benefits	73 071 030	12 450 483	85 521 512	81 833 780	(3 687 732)
<b>Total non current liabilities</b>	<b>91 932 940</b>	<b>7 616 256</b>	<b>99 549 195</b>	<b>86 218 953</b>	<b>(13 330 242)</b>
<b>TOTAL LIABILITIES</b>	<b>209 362 378</b>	<b>22 151 605</b>	<b>231 513 983</b>	<b>221 901 558</b>	<b>(9 612 424)</b>
<b>NET ASSETS</b>	<b>582 106 858</b>	<b>(1 217 455)</b>	<b>580 889 403</b>	<b>575 722 833</b>	<b>(5 166 569)</b>
<b>COMMUNITY WEALTH</b>					
Accumulated Surplus	582 106 858	(1 217 455)	580 889 403	575 722 833	(5 166 569)
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>582 106 858</b>	<b>(1 217 455)</b>	<b>580 889 403</b>	<b>575 722 833</b>	<b>(5 166 569)</b>

Refer to note 45.2 for explanations of material variances.

Material variances are considered to be any variances greater than R3.5 million.

# CEDERBERG LOCAL MUNICIPALITY

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022

	ORIGINAL APPROVED BUDGET R	ADJUSTMENTS R	FINAL APPROVED BUDGET R	VIREMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
<b>STATEMENT OF FINANCIAL PERFORMANCE</b>							
<b>REVENUE</b>							
Property Rates	51 274 481	(1 934 031)	49 340 450	-	49 340 450	52 403 952	3 063 502
Service Charges - Electricity Revenue	116 428 232	1 119 768	117 548 000	-	117 548 000	116 301 605	(1 246 395)
Service Charges - Water Revenue	31 027 254	(188 254)	30 839 000	-	30 839 000	31 228 285	389 285
Service Charges - Sanitation Revenue	10 030 434	1 988 566	12 019 000	-	12 019 000	12 004 032	(14 968)
Service Charges - Refuse Revenue	11 777 157	899 843	12 677 000	-	12 677 000	12 779 368	102 368
Rental of Facilities and Equipment	364 283	568 663	932 946	-	932 946	829 314	(103 632)
Interest Earned - External Investments	486 482	100 000	586 482	-	586 482	749 712	163 230
Interest Earned - Outstanding Debtors	6 041 331	(1 367 331)	4 674 000	-	4 674 000	4 288 314	(385 686)
Fines	14 771 585	(7 070 711)	7 700 874	-	7 700 874	9 181 345	1 480 471
Licences and Permits	2 544	456	3 000	-	3 000	2 650	(350)
Agency Services	3 954 200	(35 360)	3 918 840	-	3 918 840	3 671 714	(247 126)
Transfers Recognised - Operational	89 873 043	9 993 413	99 866 456	-	99 866 456	96 033 376	(3 833 080)
Other Revenue	10 059 867	(2 878 760)	7 181 107	-	7 181 107	5 351 801	(1 829 306)
Gains	-	2 000 000	2 000 000	-	2 000 000	676 456	(1 323 544)
<b>Total Revenue (excluding capital transfers)</b>	<b>346 090 893</b>	<b>3 196 262</b>	<b>349 287 155</b>	<b>-</b>	<b>349 287 155</b>	<b>345 501 924</b>	<b>(3 785 231)</b>
<b>EXPENDITURE</b>							
Employee Related Costs	125 299 810	9 740 873	135 040 683	-	135 040 683	132 380 151	(2 660 532)
Remuneration of Councillors	5 591 000	(417 790)	5 173 210	-	5 173 210	5 000 104	(173 106)
Debt Impairment	29 577 000	2 369 000	31 946 000	-	31 946 000	26 777 123	(5 168 877)
Depreciation and Asset Impairment	21 246 200	5 710 800	26 957 000	-	26 957 000	26 850 408	(106 592)
Finance Charges	10 917 371	839 650	11 757 021	1 548	11 758 569	12 206 355	447 786
Bulk purchases - electricity	100 857 000	(6 305 000)	94 552 000	-	94 552 000	93 891 074	(660 926)
Inventory consumed	7 188 305	1 599 805	8 788 110	207 815	8 995 925	8 332 131	(663 794)
Contracted Services	40 414 465	21 408 765	61 823 230	(357 767)	61 465 463	54 699 312	(6 766 151)
Transfers and Grants	883 826	(250 525)	633 301	(18 000)	615 301	243 742	(371 559)
Other Expenditure	21 761 155	4 781 720	26 542 875	166 404	26 709 279	23 620 394	(3 088 885)
Losses	-	2 000 000	2 000 000	-	2 000 000	865 012	(1 134 988)
<b>Total Expenditure</b>	<b>363 736 132</b>	<b>41 477 298</b>	<b>405 213 430</b>	<b>-</b>	<b>405 213 430</b>	<b>384 865 806</b>	<b>(20 347 624)</b>
<b>Surplus/(Deficit)</b>	<b>(17 645 239)</b>	<b>(38 281 036)</b>	<b>(55 926 275)</b>	<b>-</b>	<b>(55 926 275)</b>	<b>(39 363 882)</b>	<b>16 562 393</b>
Transfers and subsidies - capital (monetary) - Government	32 291 956	26 249 783	58 541 739	-	58 541 739	45 631 826	(12 909 913)
Transfers and subsidies - capital (monetary) - Other	200 340	(11 840)	188 500	-	188 500	113 033	(75 467)
Transfers and subsidies - capital (in-kind)	-	2 849 050	2 849 050	-	2 849 050	3 323 716	474 666
<b>Surplus/(Deficit) for the year</b>	<b>14 847 057</b>	<b>(9 194 043)</b>	<b>5 653 014</b>	<b>-</b>	<b>5 653 014</b>	<b>9 704 693</b>	<b>4 051 679</b>

Refer to note 45.1 for the reconciliation performed of actuals to be on a comparable basis to the budget.

Refer to note 45.3 for explanations of material variances.

Material variances are considered to be any variances greater than R3.5 million.



# CEDERBERG LOCAL MUNICIPALITY

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022

	ORIGINAL BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL R	ACTUAL VS FINAL BUDGET R
<b>CASH FLOW STATEMENT</b>					
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
<b>Receipts</b>					
Property rates, penalties & collection charges	47 216 637	(347 072)	46 869 565	47 817 985	948 419
Service charges	155 956 060	4 627 428	160 583 488	157 163 958	(3 419 530)
Other revenue	18 073 479	(4 969 712)	13 103 767	14 202 433	1 098 666
Government Grants	122 164 999	35 161 234	157 326 233	146 969 201	(10 357 032)
Interest	3 268 862	(2 420 605)	848 257	709 831	(138 427)
<b>Payments</b>					
Suppliers and Employees	(299 214 785)	(15 424 373)	(314 639 158)	(309 825 430)	4 813 728
Finance Charges	(3 970 371)	(195 650)	(4 166 021)	(4 758 298)	(592 277)
Transfers and Grants	(883 826)	250 525	(633 301)	(243 742)	389 559
<b>Net Cash from/(used) Operating Activities</b>	<b>42 611 056</b>	<b>16 681 775</b>	<b>59 292 831</b>	<b>52 035 939</b>	<b>(7 256 892)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
<b>Receipts</b>					
Proceeds on disposal of PPE	200 340	(11 840)	188 500	-	(188 500)
Decrease (increase) in non-current receivables	-	31 969	31 969	31 969	-
<b>Payments</b>					
Capital Assets	(51 261 562)	(23 547 297)	(74 808 859)	(44 909 904)	29 898 955
<b>Net Cash from/(used) Investing Activities</b>	<b>(51 061 222)</b>	<b>(23 527 169)</b>	<b>(74 588 391)</b>	<b>(44 877 935)</b>	<b>29 710 455</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
<b>Receipts</b>					
Borrowing long term/refinancing	15 634 365	(4 834 365)	10 800 000	-	(10 800 000)
Increase/(Decrease) in Consumer Deposits	53 011	156 764	209 775	221 372	11 597
<b>Payments</b>					
Repayment of Borrowing	(5 179 091)	-	(5 179 091)	(5 314 123)	(135 031)
<b>Net Cash from/(used) Financing Activities</b>	<b>10 508 285</b>	<b>(4 677 601)</b>	<b>5 830 683</b>	<b>(5 092 751)</b>	<b>(10 923 434)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>2 058 118</b>	<b>(11 522 994)</b>	<b>(9 464 876)</b>	<b>2 065 253</b>	<b>11 530 130</b>
Cash and Cash Equivalents at the year begin	689 757	9 060 130	9 749 887	9 749 887	-
Cash and Cash Equivalents at the year end	2 747 875	(2 462 864)	285 011	11 815 140	11 530 129

Refer to note 45.4 for explanations of material variances.

Material variances are considered to be any variances greater than R3.5 million.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

### 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 60 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 2022

### 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

#### 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 following pronouncements to the Standards of GRAP which were issued but not yet effective:

Pronouncement	Effective Date
Improvements to the Standards of GRAP (2020)	1 April 2023
Amendments to GRAP 1 on Presentation of Financial Statements (2019)	1 April 2023
iGRAP 21 on The Effect of Past Decisions on Materiality	1 April 2023

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

The Municipality further resolved not to early adopt the following Standard of GRAP which was issued but is not yet effective:

#### 1.08.1.1 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 significant.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

### 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 for application, 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 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.

#### 1.08.2.2 GRAP 103 (Revised 2022) - Heritage Assets

The objective of this Standard is to prescribe the accounting treatment for heritage assets and related disclosure requirements.

Preliminary investigations indicate that this revised Standard may have a significant impact with regards to heritage assets which have a dual purpose. Even though some heritage assets can have cultural significance while being used in delivering services, the revised Standard will now require that all heritage assets be accounted for using GRAP 103. A consequence of this amendment is that a heritage asset will no longer be depreciated. Instead, a heritage asset should be tested for impairment when an impairment indicator has been triggered.

#### 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.

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.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

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.

## 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.



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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

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.

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

	YEARS		YEARS
<b>Land and Buildings</b>		<b>Community</b>	
Land	N/A	Community Facilities	16 - 101
Buildings	9 - 101	Sport and Recreational Facilities	20 - 101
		Work in progress	N/A
<b>Infrastructure</b>		<b>Other</b>	
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		
<b>Finance lease assets</b>			
Office equipment	3 - 11		
Transport Assets	10		

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

### 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.

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 |

### 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.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

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.

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.



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

### 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.

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.



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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

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

### 1.13.2 Subsequent Measurement

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

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

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

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

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

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

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

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

### 1.14 EMPLOYEE BENEFITS

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

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

#### 1.14.1 Post-Retirement Benefits

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

##### 1.14.1.1 Multi-employer defined benefit plans

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

##### 1.14.1.2 Post Retirement Medical Benefits

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

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

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.

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.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

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.

#### 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.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

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.

#### 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.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

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.

### 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.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

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.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

### 1.22 PAYABLES AND ANNUITY LOANS

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

### 1.23 CONSUMER DEPOSITS

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

### 1.24 CONDITIONAL GOVERNMENT GRANTS AND PUBLIC CONTRIBUTIONS

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

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

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

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

### 1.25 REVENUE

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

#### 1.25.1 Revenue from Non-Exchange Transactions

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

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

##### 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 2022

### 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 *Availability Charges*

Availability charges are based on the approved tariffs of the Municipality. These charges are levied where the Municipality has installed the relevant infrastructure networks (relating to water, electricity and sewerage) in the area where the consumer resides, but the consumer has not requested to be and is not connected to the networks.

### 1.25.1.4 *Fines*

Fine Revenue constitutes both spot fines and summonses. All fines issued during the year less any cancellations or reductions are recognised as revenue.

### 1.25.1.5 *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.

### 1.25.1.6 *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.

### 1.25.1.7 *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.

### 1.25.1.8 *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.

### 1.25.1.9 *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 2022

### 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 2022

### 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.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

### 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.

### 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.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

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).

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 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.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

### 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.

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.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

### 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.

### 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.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

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.

### 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.



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

<i>Figures in Rand</i>	2022	2021
<b>2 CASH AND CASH EQUIVALENTS</b>		
Bank Accounts	3 252 125	5 311 494
Call Investment Deposits	8 556 790	4 432 167
Cash Floats	6 226	6 226
<b>Total</b>	<b>11 815 140</b>	<b>9 749 887</b>
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	836 322	1 076 642
Unspent Conditional Government Grants - note 15	6 385 961	1 081 961
VAT Payable - note 48.3	646 605	2 323 611
Performance Guarantee - note 14	-	325 502
<b>Total</b>	<b>7 868 888</b>	<b>4 807 715</b>
Grant funding utilised for own working capital requirements	-	-
Overdraft facilities available during the financial year with the following banking institutions:		
ABSA Bank	-	6 000 000
Standard Bank	9 000 000	6 000 000
<b>Total</b>	<b>9 000 000</b>	<b>12 000 000</b>
Guarantee in favour of Eskom registered with Standard Bank	2 900 000	2 900 000
<b><u>Bank Accounts</u></b>		
Standard Bank - Account number 082163324 (Main Current Account)	2 860 039	4 992 037
Standard Bank - Account number 072194480 (Traffic Account)	-	-
Standard Bank - Account number 072194774 (Service Account)	-	-
Standard Bank - Account number 032630263 (Current Account for debit orders)	392 016	319 377
Standard Bank - Account number 032630263 (Credit Card for Petty Cash)	70	80
ABSA - Account number 40-5357-8397 (Current Account)	-	-
<b>Total</b>	<b>3 252 125</b>	<b>5 311 494</b>
Bank accounts consists out of the following accounts:		
<b><i>Standard Bank - Account number 082163324 (Main Current Account)</i></b>		
Cash book balance at beginning of year	4 992 037	1 235 154
Cash book balance at end of year	2 860 039	4 992 037
Bank statement balance at beginning of year	4 779 214	838 332
Bank statement balance at end of year	2 423 268	4 779 214
<b><i>Standard Bank - Account number 072194480 (Traffic Account)</i></b>		
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	-	-
<b><i>Standard Bank - Account number 072194774 (Service Account)</i></b>		
Cash book balance at beginning of year	-	5 127 184
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	5 127 184
Bank statement balance at end of year	-	-

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

Figures in Rand	2022	2021
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### 2 CASH AND CASH EQUIVALENTS (CONTINUED)

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

Cash book balance at beginning of year	319 377	203 916
Cash book balance at end of year	392 016	319 377
Bank statement balance at beginning of year	319 377	203 916
Bank statement balance at end of year	392 016	319 377

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

Cash book balance at beginning of year	80	-
Cash book balance at end of year	70	80
Bank statement balance at beginning of year	80	-
Bank statement balance at end of year	70	80

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

Cash book balance at beginning of year	-	2 346 970
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	1 866 086
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	8 556 790	4 106 665
Standard Bank - Acc no 088893065-002	-	325 502
<b>Total</b>	<b>8 556 790</b>	<b>4 432 167</b>

A performance guarantee paid by a contractor amounting to R325 502 is included in the Call Investment Deposits.

### 3 RECEIVABLES FROM EXCHANGE TRANSACTIONS

#### **Service Receivables**

Electricity	23 069 730	21 443 593
Water	28 074 195	34 610 797
Refuse	9 143 362	11 778 829
Sewerage	13 905 193	15 846 665
Interest	9 421 812	9 601 234
Other	780 782	834 491

#### **Total Gross Balance**

<b>84 395 073</b>	<b>94 115 610</b>
-------------------	-------------------

Less: Allowance for Debt Impairment

(57 665 699)	(69 261 971)
--------------	--------------

#### **Total Net Receivable**

<b>26 729 374</b>	<b>24 853 639</b>
-------------------	-------------------

As previously reported

25 277 285
------------

Correction of error restatement - note 42.1

(423 647)
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Restated balance

24 853 639
------------

Other Service Receivables consist out of sundry services and rentals.

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other receivables on initial recognition is not deemed necessary. Interest of prime +1% is levied on late payments.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

<i>Figures in Rand</i>	2022	2021
<b>3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)</b>		
<b>Reconciliation of Allowance for Debt Impairment</b>		
Balance at the beginning of the year	69 261 971	69 993 351
Movement in the contribution to the provision	15 986 207	21 091 711
Electricity	3 125 921	3 450 117
Water	6 634 926	8 415 916
Refuse	2 024 706	1 913 070
Sewerage	2 509 767	1 896 092
Interest	1 775 977	5 357 584
Other	(85 091)	58 932
Bad Debts Written off	(27 582 479)	(21 823 091)
Electricity	(3 255 192)	(910 174)
Water	(13 340 091)	(10 706 057)
Refuse	(4 672 236)	(3 958 802)
Sewerage	(4 718 965)	(2 889 748)
Interest	(1 548 202)	(3 451 377)
Other	(47 793)	93 067
Balance at the end of the year	<b>57 665 699</b>	<b>69 261 971</b>

The allowance for impairment of receivables has been made for all consumer balances outstanding based on the payment ratio over the last 12 months. 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
<b>30 June 2022</b>			
<b>Service Receivables</b>			
Electricity	23 069 730	(8 080 163)	14 989 567
Water	28 074 195	(21 118 962)	6 955 233
Refuse	9 143 362	(7 290 398)	1 852 964
Sewerage	13 905 193	(11 589 791)	2 315 402
Interest	9 421 812	(9 016 120)	405 691
Other	780 782	(570 264)	210 517
<b>Total</b>	<b>84 395 073</b>	<b>(57 665 699)</b>	<b>26 729 374</b>
<b>30 June 2021</b>			
<b>Service Receivables</b>			
Electricity	21 443 593	(8 209 434)	13 234 158
Water	34 610 797	(27 824 127)	6 786 670
Refuse	11 778 829	(9 937 928)	1 840 901
Sewerage	15 846 665	(13 798 988)	2 047 677
Interest	9 601 234	(8 788 345)	812 889
Other	834 491	(703 148)	131 343
<b>Total</b>	<b>94 115 610</b>	<b>(69 261 971)</b>	<b>24 853 639</b>



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# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

<i>Figures in Rand</i>	2022	2021
<b>3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)</b>		
<b>Ageing of Receivables from Exchange Transactions</b>		
<b>Electricity</b>		
0 - 30 Days (Current)	11 109 490	10 038 537
1 to 3 months	4 527 296	3 239 902
4 months to 1 year	2 768 154	3 649 591
Over 1 year	4 664 792	4 515 563
<b>Total</b>	<b>23 069 731</b>	<b>21 443 593</b>
<b>Water</b>		
0 - 30 Days (Current)	3 865 181	3 499 216
1 to 3 months	2 984 799	4 684 099
4 months to 1 year	5 320 892	8 952 178
Over 1 year	15 903 323	17 475 304
<b>Total</b>	<b>28 074 194</b>	<b>34 610 797</b>
<b>Refuse</b>		
0 - 30 Days (Current)	1 204 309	1 001 929
1 to 3 months	1 344 026	1 907 570
4 months to 1 year	2 443 767	4 035 809
Over 1 year	4 151 260	4 833 521
<b>Total</b>	<b>9 143 362</b>	<b>11 778 829</b>
<b>Sewerage</b>		
0 - 30 Days (Current)	1 104 930	819 393
1 to 3 months	1 719 179	1 621 912
4 months to 1 year	3 205 055	3 434 040
Over 1 year	7 876 028	9 971 320
<b>Total</b>	<b>13 905 193</b>	<b>15 846 665</b>
<b>Interest</b>		
0 - 30 Days (Current)	385 612	385 602
1 to 3 months	1 045 656	1 235 251
4 months to 1 year	2 158 616	3 386 924
Over 1 year	5 831 928	4 593 457
<b>Total</b>	<b>9 421 812</b>	<b>9 601 234</b>
<b>Other</b>		
0 - 30 Days (Current)	100 392	73 416
1 to 3 months	84 393	92 414
4 months to 1 year	77 435	200 564
Over 1 year	518 561	468 097
<b>Total</b>	<b>780 781</b>	<b>834 491</b>
<b>Summary Ageing of all Receivables from Exchange Transactions</b>		
0 - 30 Days (Current)	17 769 913	15 818 094
1 to 3 months	11 705 350	12 781 148
4 months to 1 year	15 973 918	23 659 106
Over 1 year	38 945 892	41 857 262
<b>Total</b>	<b>84 395 072</b>	<b>94 115 609</b>



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# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

Figures in Rand

### 4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	2022	2021
<b>Service Receivables</b>	42 504 325	40 965 763
Property Rates	35 659 886	34 408 784
Availability Charges	6 844 439	6 556 979
<b>Other Receivables</b>	13 382 186	21 080 417
Unpaid Traffic Fines	10 061 922	18 189 542
Other Receivables	876 213	1 537 202
Deposits	2 444 051	1 353 673
<b>Total Gross Balance</b>	<b>55 886 511</b>	<b>62 046 180</b>
Less: Allowance for Debt Impairment	(40 921 114)	(50 661 817)
<b>Total Net Receivable</b>	<b>14 965 398</b>	<b>11 384 363</b>
As previously reported		10 821 063
Correction of error restatement - note 42.1		563 300
Restated balance		11 384 363

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 +1% is levied on late payments.

#### Reconciliation of Allowance for Debt Impairment

Balance at the beginning of the year	50 661 817	66 182 577
Movement in the contribution to the provision	9 381 242	13 477 238
Property Rates	101 423	3 653 829
Availability Charges	389 457	1 011 239
Traffic Fines	7 976 024	8 812 170
Other Receivables	914 338	-
Bad Debts Written off	(19 121 945)	(28 997 999)
Property Rates	(3 334 865)	(649 517)
Availability Charges	(203 657)	(69 659)
Traffic Fines	(15 355 194)	(28 278 823)
Other Receivables	(228 230)	-
Balance at the end of the year	<b>40 921 114</b>	<b>50 661 817</b>

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. No allowance for debt impairment is made for outstanding government debt. Based on these payment trends, management is satisfied that no further credit provision is required in excess of the current allowance. The risk of non-payment is further mitigated due to the large customer base over which the outstanding receivable balance is spread.

The allowance for debt impairment of unpaid traffic fines has been made for all balances outstanding based on the cumulative collection rate. All unpaid traffic fines older than 1 year are impaired in full.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

<i>Figures in Rand</i>		2022	2021
<b>4</b>	<b>RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)</b>		
		<b>Gross Balance</b>	<b>Allowance for</b>
		<b>R</b>	<b>Debt Impairment</b>
			<b>R</b>
			<b>Net Receivable</b>
			<b>R</b>
<b>30 June 2022</b>			
	<b>Service Receivables</b>		
	Property Rates	35 659 886	(24 087 250)
	Availability Charges	6 844 439	(6 319 133)
	<b>Other Receivables</b>		
	Unpaid Traffic Fines	10 061 922	(9 828 622)
	Other Receivables	876 213	(686 108)
	Deposits	2 444 051	-
	<b>Total</b>	<b>55 886 511</b>	<b>(40 921 114)</b>
<b>30 June 2021</b>			
	<b>Service Receivables</b>		
	Property Rates	34 408 784	(27 320 693)
	Availability Charges	6 556 979	(6 133 332)
	<b>Other Receivables</b>		
	Unpaid Traffic Fines	18 189 542	(17 207 792)
	Other Receivables	1 537 202	-
	Deposits	1 353 673	-
	<b>Total</b>	<b>62 046 180</b>	<b>(50 661 817)</b>
	<b>Ageing of Receivables from Non-Exchange Transactions</b>		
	<b>Property Rates</b>		
	0 - 30 Days (Current)		6 614 825
	1 to 3 months		4 365 770
	4 months to 1 year		5 880 628
	Over 1 year		18 798 662
	<b>Total</b>		<b>35 659 886</b>
	<b>Availability Charges</b>		
	0 - 30 Days (Current)		240 858
	1 to 3 months		464 101
	4 months to 1 year		917 104
	Over 1 year		5 222 377
	<b>Total</b>		<b>6 844 439</b>
<b>5</b>	<b>TAXES</b>		
	VAT Claimable/(Payable)	(935 829)	(2 356 174)
	VAT Input in Suspense	11 822 384	9 169 235
	VAT Output in Suspense - net	(2 596 632)	(2 351 438)
	VAT Output in Suspense	(9 547 481)	(10 711 961)
	Less: VAT on Allowance for Debt Impairment	6 950 849	8 360 523
	<b>Total</b>	<b>8 289 923</b>	<b>4 461 622</b>
	<b>Reconciliation of VAT on Allowance for Debt Impairment</b>		
	Balance at beginning of year	8 360 523	8 558 578
	Debt Impairment for current year	(1 409 674)	(198 055)
	Balance at the end of the year	<b>6 950 849</b>	<b>8 360 523</b>

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

<i>Figures in Rand</i>	2022	2021
<b>6 OPERATING LEASES</b>		
<b>6.1 OPERATING LEASE ASSETS</b>		
Operating Lease Asset	<u>222</u>	<u>4 956</u>
The operating lease asset is derived from contracts where the Municipality acts as the lessor in the agreement.		
<b>Reconciliation of Operating Lease Asset</b>		
Balance at the beginning of the year	4 956	5 429
Movement during the year	(4 733)	(473)
Balance at the end of the year	<u>222</u>	<u>4 956</u>
<b>The Municipality will receive the following lease payments from contracts that have defined lease payments and terms.</b>		
Within 1 Year	3 930	96 422
Between 1 and 5 Years	2 022	5 953
After 5 Years	-	-
Total operating lease payments	<u>5 953</u>	<u>102 375</u>
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.		
<b>6.2 OPERATING LEASE LIABILITIES</b>		
Operating Lease Liability	<u>4 758</u>	<u>7 570</u>
The operating lease liability is derived from contracts where the Municipality acts as the lessee in the agreement.		
<b>Reconciliation of Operating Lease Liability</b>		
Balance at the beginning of the year	7 570	14 121
Movement during the year	(2 812)	(6 551)
Balance at the end of the year	<u>4 758</u>	<u>7 570</u>
<b>The Municipality will incur the following lease expenditure from contracts that have defined lease payments and terms.</b>		
Within 1 Year	33 606	726 709
Between 1 and 5 Years	8 785	42 390
After 5 Years	-	-
Total operating lease payments	<u>42 390</u>	<u>769 099</u>
The leases are in respect of land and buildings being leased. Escalations between 4% and 10% are applicable on the leases. The renewal option after lapsing of the contracts are available.		
The Municipality does not engage in any sub-lease arrangements.		
The Municipality did not pay any contingent rent during the year.		

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

<i>Figures in Rand</i>	2022	2021
<b>7 LONG-TERM RECEIVABLES</b>		
Receivables with repayment arrangements	-	31 969
Less: Current portion of Long-term Receivables	-	(31 969)
<b>Total</b>	<b>-</b>	<b>-</b>
Debtors amounting to Rnil (2021 - R31 969) have arranged to settle their account over an re-negotiated period. No payments have been deferred beyond 12 months after year end.		
<b>8 INVENTORY</b>		
Maintenance Materials - at cost	1 380 943	1 215 280
Water – at cost	73 459	62 081
<b>Total</b>	<b>1 454 402</b>	<b>1 277 361</b>
As previously reported		1 406 014
Correction of error restatement - note 42.2		(128 653)
Restated balance		1 277 361
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		
Maintenance Materials	2 278 827	2 195 825
Water - by nature of expense	10 442 450	8 762 550
Bulk Purchases	802 586	742 549
Contracted Services	175 691	250 431
Depreciation and Amortisation	1 563 732	1 601 799
Employee Related Costs	3 570 568	3 088 267
Internal Charges	4 080 043	2 800 752
Other Expenditure	249 830	278 752
<b>Total</b>	<b>12 721 276</b>	<b>10 958 375</b>
<b>9 INVESTMENT PROPERTY</b>		
Investment Property - Carrying Value	<b>74 397 571</b>	<b>77 313 099</b>
As previously reported		77 058 849
Correction of error restatement - note 42.3		254 250
Restated balance		77 313 099
The carrying value of Investment Property is reconciled as follows:		
<b>Opening Carrying Value</b>	<b>77 313 099</b>	<b>77 398 714</b>
Cost	77 992 085	78 025 450
Accumulated Depreciation	(678 986)	(626 736)
Accumulated Impairment	-	-
Depreciation for the year	(52 250)	(52 250)
Disposals	(2 863 278)	(33 365)
<b>Closing Carrying Value</b>	<b>74 397 571</b>	<b>77 313 099</b>
Cost	75 128 807	77 992 085
Accumulated Depreciation	(731 236)	(678 986)
Accumulated Impairment	-	-



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

Figures in Rand	2022	2021
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### 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 2021/22 and 2020/21 financial year.

<b>Cost of land included in asset register of which the Municipality is not the legal owner (iGRAP 18)</b>	<b>2 023 600</b>	<b>2 023 600</b>
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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
<b>30 June 2022</b>				
Land and Buildings	22 446 748	(1 487 436)	-	20 959 312
Infrastructure	863 230 223	(314 701 186)	(10 924 655)	537 604 383
Leased Assets	7 702 495	(1 912 371)	-	5 790 124
Community Assets	80 554 251	(6 609 862)	-	73 944 389
Other Assets	33 490 347	(19 160 688)	-	14 329 659
Capitalised Restoration Cost	19 396 951	(12 370 384)	(726 064)	6 300 503
<b>Total</b>	<b>1 026 821 016</b>	<b>(356 241 927)</b>	<b>(11 650 719)</b>	<b>658 928 369</b>
<b>30 June 2021</b>				
Land and Buildings	22 514 858	(1 362 209)	-	21 152 650
Infrastructure	819 180 410	(295 193 658)	(9 539 724)	514 447 028
Leased Assets	7 966 690	(2 074 688)	-	5 892 002
Community Assets	77 380 240	(5 915 437)	-	71 464 803
Other Assets	29 813 980	(17 493 038)	-	12 320 942
Capitalised Restoration Cost	23 069 258	(10 816 554)	(607 849)	11 644 854
<b>Total</b>	<b>979 925 436</b>	<b>(332 855 584)</b>	<b>(10 147 573)</b>	<b>636 922 279</b>
As previously reported				647 063 696
Correction of error restatement - note 42.3				(10 141 417)
Restated balance				636 922 279

<b>10.1 Repairs and maintenance incurred on Property, Plant and Equipment</b>	<b>8 844 262</b>	<b>6 350 128</b>
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<b>10.2 Cost of land included in asset register of which the Municipality is not the legal owner (iGRAP 18)</b>	<b>408 700</b>	<b>408 700</b>
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The Municipality has assessed that it controls the above-mentioned land of which it is not the legal owner. The said land pertains to the town of Elands Bay of which the demarcation borders were revised and accordingly included in the jurisdictional area of the Municipality. The title deeds of the said erven have not been transferred to the Municipality.



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

<i>Figures in Rand</i>	2022	2021
<b>10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)</b>		
<b>10.3 Capital Restorations Costs</b>		
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.		
<b>10.4 Carrying value of Property, Plant and Equipment pledged as security</b>	<b>5 790 124</b>	<b>5 892 002</b>
The leased assets are financed through a finance lease agreement and are secured as set out in note 12.		
<b>10.5 Change in estimate useful lives</b>		
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:		
	<b>2022</b>	<b>2023</b>
Increase / (Decrease) in Depreciation and Amortisation	(544 416)	544 416
Increase / (Decrease) in Accumulated Surplus	544 416	(544 416)
Increase / (Decrease) in Property, Plant and Equipment	544 416	(544 416)
<b>10.6 Work in Progress projects taking a significant longer period to complete</b>		
- <i>Lamberts Bay Desalination Plant</i>	76 588 236	58 788 544
Funding for this project was made available with the DoRA for 2021/22. Project recommenced September 2021. Estimated duration of the project was 6 months with projected completion date at 31 March 2022. Due to geo-technical complications the project has been delayed. Current estimated completion date is end of October 2022.		
- <i>Clanwilliam Water Treatment Works</i>	4 021 319	4 021 319
The project is registered with the Regional Bulk Infrastructure Grant (RBIG) of the Department of Water and Sanitation. The Implementation Readiness Study (IRS) which is a requirement for RBIG projects was approved by the RBIG committee and is awaiting Cederberg Council approval. However, counter-funding in the region of R 32 million is required from the Municipality as its non-social component contribution towards the project. The waiver of counter funding applications to National Treasury have been unsuccessful.		
- <i>Upgrade sidewalks and build new sidewalks in Denne Street</i>	119 281	119 281
This project is about 70% completed and will be completed once internal funding becomes available.		
- <i>Construction of sewerage pump stations</i>	7 245 604	7 245 604
The project is in the final phase of implementation. This phase is comprised of a an irrigation pump station and conveyers infrastructure to transfer the treated effluent from the newly constructed WWTW to the golf course.		
- <i>Elands Bay economic corridor</i>	-	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. This project has been completed during the current year.		
- <i>Upgrading of sport fields - Lamberts Bay</i>	95 641	95 641
Project will be completed once internal funds become available.		

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

Figures in Rand

	2022	2021
<b>10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)</b>		
- <i>Upgrading of sport fields - Clanwilliam</i>	9 693 439	7 958 725
Funding has been made available in the 2021/22 financial year for remaining upgrades. Miscellaneous items to be completed in the 2022/23 financial year. Roll over application to be submitted by end of August 2022.		
- <i>Lambertsbay Borehole Development</i>	-	448 150
This project has been abandoned due to litigation issues of which the court ruling was not in the favour of the Municipality.		
<b>Total</b>	<b>97 763 519</b>	<b>79 801 425</b>
The accumulated impairment recognised on the above-mentioned Work in Progress are as follow:		
- <i>Lamberts Bay Desalination Plant</i>	10 924 655	9 539 724
<b>Total</b>	<b>10 924 655</b>	<b>9 539 724</b>

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

### 10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

#### 10.7 Reconciliation of Carrying Value

30 June 2022	Cost						Accumulated Depreciation and Impairment					Carrying Value
	Opening Balance	Additions	Disposals and Write-offs	Contributed Assets	Transfer to Capital Assets	Closing Balance	Opening Balance	Depreciation Charge	Impairment (Reversal)	Disposals and Write-offs	Closing Balance	
	R	R	R	R	R	R	R	R	R	R	R	
<b>Land and Buildings</b>	<b>22 514 858</b>	-	<b>(68 110)</b>	-	-	<b>22 446 748</b>	<b>1 362 209</b>	<b>134 077</b>	-	<b>(8 849)</b>	<b>1 487 436</b>	<b>20 959 312</b>
Land	9 398 084	-	-	-	-	9 398 084	-	-	-	-	-	9 398 084
Buildings	13 116 774	-	(68 110)	-	-	13 048 664	1 362 209	134 077	-	(8 849)	1 487 436	11 561 228
<b>Infrastructure</b>	<b>819 180 410</b>	<b>45 143 775</b>	<b>(1 093 962)</b>	-	-	<b>863 230 223</b>	<b>304 733 382</b>	<b>20 042 766</b>	<b>1 384 931</b>	<b>(535 238)</b>	<b>325 625 841</b>	<b>537 604 383</b>
Electrical	166 006 739	209 694	-	-	-	166 216 433	90 822 366	3 999 880	-	-	94 822 246	71 394 187
Roads	172 068 627	-	-	-	-	172 068 627	76 537 592	5 193 316	-	-	81 730 908	90 337 719
Sanitation	191 007 143	50 664	(430 260)	-	-	190 627 546	44 589 101	5 671 400	-	(396 349)	49 864 152	140 763 394
Storm Water	27 747 507	-	-	-	-	27 747 507	6 703 695	549 585	-	-	7 253 280	20 494 227
Water Supply	172 309 244	1 335 617	(215 551)	-	500 388	173 929 698	76 540 904	4 628 584	-	(138 888)	81 030 599	92 899 099
Work in progress	90 041 151	43 547 799	(448 150)	-	(500 388)	132 640 412	9 539 724	-	1 384 931	-	10 924 655	121 715 757
<b>Leased Assets</b>	<b>7 966 690</b>	<b>943 824</b>	<b>(1 208 018)</b>	-	-	<b>7 702 495</b>	<b>2 074 688</b>	<b>736 342</b>	-	<b>(898 658)</b>	<b>1 912 371</b>	<b>5 790 124</b>
Furniture and Office Equipment	3 791 849	943 824	(1 208 018)	-	-	3 527 655	1 201 139	503 439	-	(898 658)	805 920	2 721 734
Transport Assets	4 174 840	-	-	-	-	4 174 840	873 549	232 902	-	-	1 106 451	3 068 389
<b>Community Assets</b>	<b>77 380 240</b>	<b>3 174 011</b>	-	-	-	<b>80 554 251</b>	<b>5 915 437</b>	<b>694 425</b>	-	-	<b>6 609 862</b>	<b>73 944 389</b>
Community Facilities	16 830 663	-	-	-	-	16 830 663	1 202 199	139 909	-	-	1 342 108	15 488 555
Sport and Recreational Facilities	51 359 848	-	-	-	1 135 364	52 495 212	4 713 237	554 516	-	-	5 267 753	47 227 459
Work in progress	9 189 729	3 174 011	-	-	(1 135 364)	11 228 376	-	-	-	-	-	11 228 376
<b>Other Assets</b>	<b>29 813 980</b>	<b>661 279</b>	<b>(308 627)</b>	<b>3 323 716</b>	-	<b>33 490 347</b>	<b>17 493 038</b>	<b>1 923 345</b>	-	<b>(255 695)</b>	<b>19 160 688</b>	<b>14 329 659</b>
Computer Equipment	3 004 459	201 282	(92 815)	-	-	3 112 927	1 869 041	240 301	-	(71 284)	2 038 058	1 074 869
Furniture and Office Equipment	7 016 163	142 398	(119 901)	-	-	7 038 660	4 395 196	465 465	-	(107 476)	4 753 186	2 285 474
Machinery and Equipment	10 266 072	317 598	(91 786)	-	-	10 491 884	6 179 186	746 329	-	(72 811)	6 852 704	3 639 180
Transport Assets	9 527 286	-	(4 125)	3 323 716	-	12 846 877	5 049 615	471 250	-	(4 124)	5 516 741	7 330 136
<b>Capitalised Restoration Cost</b>	<b>23 069 258</b>	<b>101 050</b>	<b>(3 773 357)</b>	-	-	<b>19 396 951</b>	<b>11 424 404</b>	<b>1 553 830</b>	<b>118 214</b>	-	<b>13 096 448</b>	<b>6 300 503</b>
Landfill Site Rehabilitation	23 069 258	101 050	(3 773 357)	-	-	19 396 951	11 424 404	1 553 830	118 214	-	13 096 448	6 300 503
	<b>979 925 436</b>	<b>50 023 938</b>	<b>(6 452 074)</b>	<b>3 323 716</b>	-	<b>1 026 821 016</b>	<b>343 003 157</b>	<b>25 084 784</b>	<b>1 503 145</b>	<b>(1 698 440)</b>	<b>367 892 646</b>	<b>658 928 369</b>

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

### 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 and Write-offs	Contributed Assets	Transfer to Capital Assets	Closing Balance	Opening Balance	Depreciation Charge	Impairment (Reversal)	Disposals and Write-offs		Closing Balance
	R	R	R	R	R	R	R	R	R	R		R
<b>Land and Buildings</b>	<b>22 368 044</b>	<b>110 352</b>	<b>-</b>	<b>-</b>	<b>36 463</b>	<b>22 514 858</b>	<b>1 228 405</b>	<b>133 804</b>	<b>-</b>	<b>-</b>	<b>1 362 209</b>	<b>21 152 650</b>
Land	9 368 195	29 889	-	-	-	9 398 084	-	-	-	-	-	9 398 084
Buildings	12 999 848	56 940	-	-	59 986	13 116 774	1 228 405	133 804	-	-	1 362 209	11 754 565
Work in progress	-	23 522	-	-	(23 522)	-	-	-	-	-	-	-
<b>Infrastructure</b>	<b>776 860 789</b>	<b>42 356 085</b>	<b>-</b>	<b>-</b>	<b>(36 463)</b>	<b>819 180 410</b>	<b>285 659 545</b>	<b>17 688 906</b>	<b>1 384 931</b>	<b>-</b>	<b>304 733 382</b>	<b>514 447 028</b>
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	42 129 496	-	-	(131 534 102)	90 041 151	8 154 793	-	1 384 931	-	9 539 724	80 501 427
<b>Leased Assets</b>	<b>8 192 488</b>	<b>-</b>	<b>(225 799)</b>	<b>-</b>	<b>-</b>	<b>7 966 690</b>	<b>1 448 079</b>	<b>670 509</b>	<b>-</b>	<b>(43 900)</b>	<b>2 074 688</b>	<b>5 892 002</b>
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
<b>Community Assets</b>	<b>75 785 262</b>	<b>1 594 978</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>77 380 240</b>	<b>5 243 196</b>	<b>672 241</b>	<b>-</b>	<b>-</b>	<b>5 915 437</b>	<b>71 464 803</b>
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	51 359 848	-	-	-	-	51 359 848	4 180 701	532 536	-	-	4 713 237	46 646 611
Work in progress	7 630 557	1 559 172	-	-	-	9 189 729	-	-	-	-	-	9 189 729
<b>Other Assets</b>	<b>29 578 276</b>	<b>389 804</b>	<b>(154 101)</b>	<b>-</b>	<b>-</b>	<b>29 813 980</b>	<b>15 609 394</b>	<b>1 976 599</b>	<b>-</b>	<b>(92 955)</b>	<b>17 493 038</b>	<b>12 320 942</b>
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	7 056 775	13 245	(53 858)	-	-	7 016 163	3 917 996	502 926	-	(25 726)	4 395 196	2 620 967
Machinery and Equipment	10 131 525	189 012	(54 466)	-	-	10 266 072	5 444 147	767 133	-	(32 093)	6 179 186	4 086 886
Transport Assets	9 527 286	-	-	-	-	9 527 286	4 626 412	423 203	-	-	5 049 615	4 477 671
<b>Capitalised Restoration Cost</b>	<b>13 103 974</b>	<b>9 965 284</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23 069 258</b>	<b>10 538 616</b>	<b>335 886</b>	<b>549 901</b>	<b>-</b>	<b>11 424 404</b>	<b>11 644 854</b>
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
	<b>925 888 833</b>	<b>54 416 503</b>	<b>(379 899)</b>	<b>-</b>	<b>-</b>	<b>979 925 436</b>	<b>319 727 235</b>	<b>21 477 945</b>	<b>1 934 832</b>	<b>(136 855)</b>	<b>343 003 157</b>	<b>636 922 279</b>

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

Figures in Rand

	2022	2021
<b>11 INTANGIBLE ASSETS</b>		
Intangible Assets - Carrying Value	<b>1 043 993</b>	<b>1 254 360</b>

The carrying value of intangible Assets is reconciled as follows:

	2022	2021
<b>Opening Carrying Value</b>	<b>1 254 360</b>	<b>1 476 849</b>
Cost	2 356 546	2 357 851
Accumulated Amortisation	(1 102 187)	(881 002)
Accumulated Impairment	-	-
Additions	-	-
Amortisation	(210 229)	(222 315)
Disposal	(138)	(175)
Cost	(2 050)	(1 305)
Accumulated Amortisation	1 913	1 130
<b>Closing Carrying Value</b>	<b>1 043 993</b>	<b>1 254 360</b>
Cost	2 354 496	2 356 546
Accumulated Amortisation	(1 310 503)	(1 102 187)
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:

	2022	2023
Increase / (Decrease) in Depreciation and Amortisation	(11 998)	11 998
Increase / (Decrease) in Accumulated Surplus	11 998	(11 998)
Increase / (Decrease) in Intangible Assets	11 998	(11 998)

## 12 LONG-TERM LIABILITIES

Annuity Loans	7 138 925	10 089 070
Finance Lease Liabilities	971 848	2 392 001
<b>Sub-Total</b>	<b>8 110 773</b>	<b>12 481 071</b>
Less: Current portion of Long-term Liabilities	<b>3 725 600</b>	<b>5 178 934</b>
Annuity Loans	3 267 052	2 950 140
Finance Lease Liabilities	458 548	2 228 794
<b>Total</b>	<b>4 385 173</b>	<b>7 302 137</b>

Long-term Liabilities were utilised as follow:

Total Long-term Liabilities taken up	8 110 773	12 481 071
Used to finance Property, Plant and Equipment at cost	(8 110 773)	(12 481 071)
<b>Unspent Borrowings</b>	<b>-</b>	<b>-</b>

Long-term liabilities have been utilised in accordance with the Municipal Finance Management Act No. 56 of 2003.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

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### 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	1 221 812	1 556 127
ABSA (038-723-0993)	10.43%	17 June 2025	2 072 429	2 631 936
ABSA (038-723-0994)	10.45%	17 Nov 2025	952 355	1 166 387
ABSA (038-723-0995)	11.33%	30 Jun 2026	1 077 177	1 278 702
Standard Bank (03-263-793-4)	10.36%	31 Mar 2023	1 815 152	3 455 919
<b>Total</b>			<b>7 138 925</b>	<b>10 089 070</b>
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			4 481 974	8 425 064
<b>Total amount payable</b>			<b>8 425 064</b>	<b>12 368 154</b>
Less: Outstanding Future Finance Charges			(1 286 139)	(2 279 084)
<b>Present value of annuity loans</b>			<b>7 138 925</b>	<b>10 089 070</b>

#### 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	
Samsung 057400 Pabx System	31 May 2022	-	1 156 006
Printers and Copiers	31 Dec 2024	808 641	-
Isuzu Kb 250C Fleetside Regular Cab	1 Jul 2022	4 874	60 075
Isuzu Kb 250C Fleetside Regular Cab	1 Jul 2022	4 874	60 075
Isuzu Kb 250C Fleetside Regular Cab	1 Jul 2022	4 874	60 075
Chevrolet Utility 1.4 + A/C (M18)	1 Jul 2022	3 649	44 967
Chevrolet Utility 1.4 + A/C (M18)	1 Jul 2022	3 649	44 967
Isuzu Kb 250C Fleetside Regular Cab	1 Jul 2022	4 938	60 861
Isuzu Kb 250C Fleetside Regular Cab	1 Aug 2022	9 755	64 744
Isuzu Kb 250C Fleetside Regular Cab	1 Aug 2022	17 215	114 259
Isuzu N Series NLR 150	1 Aug 2022	18 620	123 586
Isuzu Kb 250C Fleetside Regular Cab	1 Aug 2022	9 755	64 744
Isuzu N Series NLR 150	1 Aug 2022	18 620	123 586
Isuzu N Series NLR 150	1 Aug 2022	18 620	123 586
Isuzu N Series NLR 150	1 Aug 2022	18 620	123 586
Isuzu Kb 250C Fleetside Regular Cab	1 Aug 2022	9 755	64 744
Toyota Etios Sedan 1.5SD Sprint	1 Aug 2022	7 694	51 068
Toyota Etios Sedan 1.5SD Sprint	1 Aug 2022	7 694	51 068
<b>Total</b>		<b>971 848</b>	<b>2 392 001</b>

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		540 287	2 519 892
Payable within two to five years		562 500	165 287
<b>Total amount payable</b>		<b>1 102 787</b>	<b>2 685 179</b>
Less: Outstanding Future Finance Charges		(130 939)	(293 178)
<b>Present value of finance lease liabilities</b>		<b>971 848</b>	<b>2 392 001</b>



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# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

<i>Figures in Rand</i>	2022	2021
<b>13 CONSUMER DEPOSITS</b>		
Water and Electricity Deposits	<u>2 539 335</u>	<u>2 317 963</u>
The fair value of consumer deposits approximate their carrying value. Interest are not paid on these amounts.		
<b>14 PAYABLES FROM EXCHANGE TRANSACTIONS</b>		
Trade Payables	99 117 333	79 919 733
Retentions	2 827 032	4 754 598
Payments received in advance	2 546 069	2 339 972
Pre-paid Electricity	738 586	658 693
Sundry Creditors	1 566 257	2 060 035
Sundry Deposits	97 254	403 754
Accrued Interest	93 110	145 628
Unknown Receipts	85 041	57 816
Land Sales Deposits	1 291 452	3 622 496
Department of Human Settlements	836 322	1 076 642
<b>Total</b>	<u><b>109 198 456</b></u>	<u><b>95 039 366</b></u>
As previously reported		95 697 284
Correction of error restatement - note 42.3		(657 917)
Restated balance		<u><u>95 039 366</u></u>
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 53.2 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
- Cash deposits as per note 4	2 444 051	1 353 673
Total	<u><b>5 344 051</b></u>	<u><b>4 253 673</b></u>
<b>15 UNSPENT CONDITIONAL GOVERNMENT GRANTS</b>		
National Government	5 702 805	225 812
Provincial Government	683 156	856 149
<b>Total</b>	<u><b>6 385 961</b></u>	<u><b>1 081 961</b></u>
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.		
<b>16 CURRENT EMPLOYEE BENEFITS</b>		
Bonuses	3 461 973	3 259 292
Staff Leave	7 650 260	7 809 929
Performance Bonuses	528 261	194 728
Current portion of Non-Current Employee Benefits - note 17	2 188 000	1 669 000
Post Retirement Medical Benefits	1 284 000	1 009 000
Long Service Awards	904 000	660 000
<b>Total</b>	<u><b>13 828 494</b></u>	<u><b>12 932 949</b></u>



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

<i>Figures in Rand</i>	2022	2021
<b>16 CURRENT EMPLOYEE BENEFITS (CONTINUED)</b>		
The movement in current employee benefits are reconciled as follows:		
<b>16.1 Bonuses</b>		
Opening Balance	3 259 292	3 088 242
Contribution during the year	6 386 947	6 001 564
Payments made	(6 184 265)	(5 830 514)
Balance at the end of the year	<u><u>3 461 973</u></u>	<u><u>3 259 292</u></u>
Bonuses are being paid to all municipal staff, excluding section 57 Managers. The balance at year end represent to portion of the bonus that have already vested for the current salary cycle.		
<b>16.2 Staff Leave</b>		
Opening Balance	7 809 929	7 290 712
Contribution during the year	1 080 455	1 956 701
Payments made	(1 240 125)	(1 437 484)
Balance at the end of the year	<u><u>7 650 260</u></u>	<u><u>7 809 929</u></u>
Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave or when employment is terminated.		
<b>16.3 Performance Bonuses</b>		
Opening Balance	194 728	-
Contribution during the year	333 533	194 728
Payments made	-	-
Balance at the end of the year	<u><u>528 261</u></u>	<u><u>194 728</u></u>
Performance bonuses are being paid to the Municipal Manager and Directors after an evaluation of performance by the council.		
<b>17 EMPLOYEE BENEFITS</b>		
Post Retirement Medical Benefits	32 232 000	28 110 000
Long Service Awards	5 976 000	5 613 000
<b>Sub-Total</b>	<u><b>38 208 000</b></u>	<u><b>33 723 000</b></u>
Less: Current portion of Employee Benefits	<u><b>2 188 000</b></u>	<u><b>1 669 000</b></u>
Post Retirement Medical Benefits	<u>1 284 000</u>	<u>1 009 000</u>
Long Service Awards	<u>904 000</u>	<u>660 000</u>
<b>Total</b>	<u><u><b>36 020 000</b></u></u>	<u><u><b>32 054 000</b></u></u>
<b>17.1 Post Retirement Medical Benefits</b>		
The movement in Post Retirement Medical Benefits are reconciled as follows:		
Opening Balance	28 110 000	23 618 000
Contribution during the year	4 380 000	3 578 000
Current Service Cost	<u>1 549 000</u>	<u>1 118 000</u>
Interest Cost	<u>2 831 000</u>	<u>2 460 000</u>
Payments made	(1 123 011)	(923 083)
Actuarial Loss/(Gain)	865 011	1 837 083
Total balance at year-end	<u>32 232 000</u>	<u>28 110 000</u>
Less: Current portion	<u>(1 284 000)</u>	<u>(1 009 000)</u>
<b>Total</b>	<u><u><b>30 948 000</b></u></u>	<u><u><b>27 101 000</b></u></u>

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

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### EMPLOYEE BENEFITS (CONTINUED)

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

In-service members	142	134
In-service non-members	201	219
Continuation members	27	25
<b>Total</b>	<b>370</b>	<b>378</b>

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 2022	13 029 000	2 344 000	16 859 000	32 232 000
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

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 2022	562 000	-
30 June 2021	(257 000)	-
30 June 2020	(668 000)	-
30 June 2019	1 369 000	-
30 June 2018	485 000	-

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

Bonitas  
LA Health  
Hosmed  
Samwumed  
Keyhealth

Key Actuarial Assumptions used are as follows:

#### i) Interest Rates

Discount rate	11.82%	10.25%
Health Care Cost Inflation Rate	8.44%	6.85%
Net Effective Discount Rate	3.12%	3.18%

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

#### ii) Mortality Rates

The PA 90 ultimate table, rated down by 1 year of age for post retirement, and the SA 85-90 table for in service employees, were used by the actuaries.

#### iii) Normal Retirement Age

It has been assumed that in-service members will retire at age 62, which then implicitly allows for expected rates of early and ill-health retirement.

#### iv) Last Valuation

The last valuation was performed on 21 July 2022.

#### v) Actuarial Valuation Method

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



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

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### 17 EMPLOYEE BENEFITS (CONTINUED)

#### Sensitivity Analysis - Liability at year-end

Assumption	In-service members (R)	Continuation members (R)	Total liability (R)	% change
Liability	15 373 000	16 859 000	32 232 000	
Health care inflation rate ( + 1% )	18 580 000	18 636 000	37 216 000	15%
Health care inflation rate ( - 1% )	12 838 000	15 333 000	28 171 000	-13%
Discount rate ( + 1% )	12 925 000	15 388 000	28 313 000	-12%
Discount rate ( - 1% )	18 503 000	18 595 000	37 098 000	15%
Post-employment mortality ( + 1 year )	14 953 000	16 341 000	31 294 000	-3%
Post-employment mortality ( - 1 year )	15 789 000	17 376 000	33 165 000	3%
Average retirement age ( - 1 year )	17 181 000	16 859 000	34 040 000	6%
Membership Continuation ( - 10% )	13 436 000	16 859 000	30 295 000	-6%

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

Assumption	Current Service Cost (R)	Interest Cost (R)	Total Cost (R)	% change
Estimated for 2022/23	2 154 000	3 736 000	5 890 000	
Health care inflation rate ( + 1% )	2 591 000	4 325 000	6 916 000	17%
Health care inflation rate ( - 1% )	1 806 000	3 256 000	5 062 000	-14%
Discount rate ( + 1% )	1 835 000	3 550 000	5 385 000	-9%
Discount rate ( - 1% )	2 558 000	3 946 000	6 504 000	10%
Post-employment mortality ( + 1 year )	2 096 000	3 625 000	5 721 000	-3%
Post-employment mortality ( - 1 year )	2 211 000	3 846 000	6 057 000	3%
Average retirement age ( - 1 year )	2 202 000	3 950 000	6 152 000	4%
Membership Continuation ( - 10% )	1 883 000	3 507 000	5 390 000	-8%

### 17.2 Long Service Awards

The movement in Long Service Awards are reconciled as follows:

Opening Balance	5 613 000	5 188 000
Contribution during the year	1 029 000	877 000
Current Service Cost	525 000	495 000
Interest Cost	504 000	382 000
Payments made	(633 051)	(560 915)
Actuarial Loss/(Gain)	(32 949)	108 915
Total balance at year-end	<b>5 976 000</b>	<b>5 613 000</b>
Less: Current portion	(904 000)	(660 000)
<b>Total</b>	<b>5 072 000</b>	<b>4 953 000</b>

The Long Service Awards plans are defined benefit plans.

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

343

353

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

	Unfunded Liability R
30 June 2022	5 976 000
30 June 2021	5 613 000
30 June 2020	5 188 000
30 June 2019	4 662 853
30 June 2018	3 680 219

The Municipality has elected to recognise the full increase in this defined benefit liability immediately as per GRAP 25.



KA 14 December 2022

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

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	2022	2021
<b>17 EMPLOYEE BENEFITS (CONTINUED)</b>		
	<b>Liabilities (Gain) / Loss R</b>	<b>Assets Gain / (Loss) R</b>
<b>Experience adjustments were calculated as follows:</b>		
30 June 2022	52 051	-
30 June 2021	202 915	-
30 June 2020	362 667	-
30 June 2019	267 536	-
30 June 2018	201 190	-

Key Actuarial Assumptions used are as follows:

### i) Interest Rates

Discount rate	11.25%	9.53%
General Salary Inflation (long-term)	7.42%	5.87%
Net Effective Discount Rate applied to salary-related Long Service Awards	3.56%	3.46%

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

### ii) Last Valuation

The last valuation was performed on 21 July 2022.

### 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%)	5 976 000	6 371 000	7%
General earnings inflation rate ( - 1%)	5 976 000	5 619 000	-6%
Discount rate ( + 1%)	5 976 000	5 610 000	-6%
Discount rate ( - 1%)	5 976 000	6 387 000	7%
Average retirement age ( + 2 years )	5 976 000	6 754 000	13%
Average retirement age ( - 2 years )	5 976 000	5 278 000	-12%
Withdrawal rates ( x 2 )	5 976 000	4 763 000	-20%
Withdrawal rates ( x 0.5 )	5 976 000	6 809 000	14%

### Sensitivity Analysis on the Current-service and Interest Costs

Assumption	Current Service Cost (R)	Interest Cost (R)	Total(R)	% Change
Estimated for 2022/23	532 000	623 000	1 155 000	
General earnings inflation rate ( + 1%)	579 000	667 000	1 246 000	8%
General earnings inflation rate ( - 1%)	489 000	582 000	1 071 000	-7%
Discount rate ( + 1%)	493 000	633 000	1 126 000	-3%
Discount rate ( - 1%)	575 000	609 000	1 184 000	3%
Average retirement age ( + 2 years )	592 000	710 000	1 302 000	13%
Average retirement age ( - 2 years )	470 000	544 000	1 014 000	-12%
Withdrawal rates ( x 2 )	378 000	486 000	864 000	-25%
Withdrawal rates ( x 0.5 )	647 000	716 000	1 363 000	18%

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

<i>Figures in Rand</i>	2022	2021
<b>17 EMPLOYEE BENEFITS (CONTINUED)</b>		
<b>17.3 Other Pension Benefits</b>		
<b>Defined Benefit Plans</b>		
Council contributes to the following defined benefit plans:		
LA Retirement Fund (Former Cape Joint Pension Fund)	121 001	115 452
The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2021 revealed that the fund is in an sound financial position with a funding level of 102.0% (30 June 2020 - 100.0%).		
Consolidated Retirement Fund (Former Cape Retirement Fund)	12 375 473	10 000 415
The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2021 revealed that the fund is in a sound financial position with a funding level of 100.5% (30 June 2020 - 100.5%).		
<b>Total</b>	<b>12 496 473</b>	<b>10 115 867</b>
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.		
<b>Defined Contribution Plans</b>		
Council contributes to the following defined contribution plans:		
National Funds for Municipal Workers	741 542	775 378
SAMWU National Provident Fund	1 272 902	1 277 291
<b>Total</b>	<b>2 014 444</b>	<b>2 052 669</b>
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.		
<b>18 NON-CURRENT PROVISIONS</b>		
Provision for Rehabilitation of Landfill-sites	<b>45 813 780</b>	<b>45 320 512</b>
The movement in Rehabilitation Provision - Landfill Sites are reconciled as follows:		
Opening Balance	45 320 512	31 966 753
Contribution during the year	493 268	13 353 760
Increase/(Decrease) in estimate	(3 672 307)	9 965 284
Interest Cost	4 165 575	3 388 476
<b>Total</b>	<b>45 813 780</b>	<b>45 320 512</b>

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

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### 18 NON-CURRENT PROVISIONS (CONTINUED)

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 8.82% and 11.00% 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	11.00%	23 616 m <sup>2</sup>	2028	14 517 494	13 442 122
Lambert's Bay	11.00%	17 580 m <sup>2</sup>	2029	11 982 713	11 261 877
Citrusdal	11.00%	26 505 m <sup>2</sup>	2040	9 863 982	11 917 850
Graafwater	8.82%	3 000 m <sup>2</sup>	2024	3 813 450	3 484 008
Elands Bay	8.82%	5 060 m <sup>2</sup>	2024	5 636 141	5 214 656
<b>Total</b>				<b>45 813 780</b>	<b>45 320 512</b>

### 19 PROPERTY RATES

Rateable Land and Buildings	56 206 568	52 074 157
Less: Rebates	(3 802 616)	(3 919 000)
<b>Total</b>	<b>52 403 952</b>	<b>48 155 157</b>

Property rate levied are based on the following rateable valuations:

Residential	2 694 215 100	2 706 165 600
Business and Industrial	490 911 200	498 213 200
State-owned	182 742 000	183 452 000
Agricultural and Private Farm Towns	2 972 426 620	2 914 329 720
<b>Total Valuation</b>	<b>6 340 294 920</b>	<b>6 302 160 520</b>

Rate that is applicable to the valuations above:

Residential	1.456c/R	1.374c/R
Business and Industrial	1.882c/R	1.775c/R
State-owned	1.882c/R	1.775c/R
Agricultural and Private Farm Towns	0.363c/R	0.343c/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.

Properties used only for residential purposes are exempted from property rates in terms of the Municipality's policy as follow:

- Properties with a value of less than R100 000	85 000	35 000
- Properties with a value of more than R100 000	35 000	35 000

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.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

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	2022	2021
<b>20 GOVERNMENT GRANTS AND SUBSIDIES</b>		
<b>Unconditional Grants - National Government</b>	<b>55 044 000</b>	<b>60 766 597</b>
Equitable Share	55 044 000	60 766 597
<b>Conditional Grants - National Government</b>	<b>56 974 478</b>	<b>53 338 798</b>
Municipal Infrastructure Grant (MIG)	12 634 176	15 899 000
Financial Management Grant (FMG)	2 023 000	2 011 000
Integrated National Electrification Programme (INEP)	17 000 000	17 000 000
Expanded Public Works Program (EPWP)	1 755 000	2 121 000
Water Service Infrastructure Grant (WSIG)	3 092 656	16 307 798
Municipal Disaster Relief Grant (COVID-19)	-	-
Regional Bulk Infrastructure Grant (RBIG)	20 469 645	-
<b>Conditional Grants - Provincial Government</b>	<b>7 918 365</b>	<b>5 764 550</b>
Library Services MRF	5 302 000	5 026 000
CDW Support	71 883	-
Municipal Drought Support Grant	-	-
Local Government Graduate Internship Grant	39 170	40 830
Financial Management Support Grant	1 259 377	198 950
Municipal Capacity Building Grant	95 797	350 383
Thusong Service Centre Grant	138 144	148 387
Public Employment Support Grant	1 010 061	-
Municipal Library Support Grant	1 934	-
<b>Total</b>	<b>119 936 843</b>	<b>119 869 945</b>
Disclosed as:		
Government Grants and Subsidies - Operating	74 305 017	77 633 162
Government Grants and Subsidies - Capital	45 631 826	42 236 783
<b>Total</b>	<b>119 936 843</b>	<b>119 869 945</b>
Grants per Vote (MFMA Sec 123 (c)):		
Equitable share	55 044 000	60 766 597
Vote 1 - Executive and Council	-	-
Vote 2 - Office of Municipal Manager	39 170	40 830
Vote 3 - Financial Administrative Services	3 282 377	2 209 950
Vote 4 - Community Development Services	7 197 078	7 550 039
Vote 5 - Corporate and Strategic Services	167 680	95 731
Vote 6 - Planning and Development Services	816 000	1 242 309
Vote 7 - Public Safety	-	-
Vote 8 - Electricity	17 000 000	17 000 000
Vote 9 - Waste Management	1 010 061	-
Vote 10 - Waste Water Management	5 695 633	21 428 676
Vote 11 - Water	24 137 748	8 161 070
Vote 12 - Housing	1 471 277	-
Vote 13 - Road Transport	3 075 820	-
Vote 14 - Sports and Recreation	1 000 000	1 374 744
<b>Total</b>	<b>119 936 843</b>	<b>119 869 945</b>
The movements per grant can be summarised as follows:		
<b>20.01 Equitable Share</b>		
Opening Unspent Balance	-	-
Grants Received / (Repaid)	55 044 000	60 766 597
Transferred to Revenue - Operating	(55 044 000)	(60 766 597)
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.

# CEDERBERG LOCAL MUNICIPALITY

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<b>20 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)</b>		
<b>20.02 Municipal Infrastructure Grant (MIG)</b>		
Opening Unspent Balance	-	-
Grants Received / (Repaid)	16 320 000	15 899 000
Transferred to Revenue - Operating	(2 481 051)	(2 715 475)
Transferred to Revenue - Capital	(10 153 125)	(13 183 525)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	<b>3 685 824</b>	-
The MIG grant is a conditional grant used to upgrade infrastructure in the municipal area with the main focus on previously disadvantaged areas.		
<b>20.03 Financial Management Grant (FMG)</b>		
Opening Unspent Balance	-	-
Grants Received / (Repaid)	2 023 000	2 011 000
Transferred to Revenue - Operating	(2 023 000)	(2 011 000)
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		
<b>20.04 Integrated National Electrification Programme (INEP)</b>		
Opening Unspent Balance	-	1 019
Grants Received / (Repaid)	17 000 000	16 998 981
Transferred to Revenue - Operating	(2 036 960)	(2 217 288)
Transferred to Revenue - Capital	(14 963 040)	(14 782 712)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	-	-
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.		
<b>20.05 Expanded Public Works Program (EPWP)</b>		
Opening Unspent Balance	-	-
Grants Received / (Repaid)	1 755 000	2 121 000
Transferred to Revenue - Operating	(1 755 000)	(2 121 000)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	-	-
The EPWP grant is a conditional grant to incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the identified focus areas in compliance with the EPWP guidelines.		
<b>20.06 Water Service Infrastructure Grant (WSIG)</b>		
Opening Unspent Balance	149 281	25 941 676
Grants Received / (Repaid)	4 450 719	(9 484 597)
Transferred to Revenue - Operating	(376 688)	(2 037 252)
Transferred to Revenue - Capital	(2 715 968)	(14 270 546)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	<b>1 507 344</b>	<b>149 281</b>
This grant is utilised for an array of water infrastructure which includes but is not limited to reservoirs, boreholes and oxidation ponds.		



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<b>20 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)</b>		
<b>20.07 Municipal Disaster Relief Grant (COVID-19)</b>		
Opening Unspent Balance	76 531	76 531
Grants Received / (Repaid)	(76 531)	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	<u>-</u>	<u>76 531</u>
This grant was utilised for the purchase of personal protective equipment in the fight against the COVID-19 pandemic.		
<b>20.08 Regional Bulk Infrastructure Grant (RBIG)</b>		
Opening Unspent Balance	-	-
Grants Received / (Repaid)	20 979 282	-
Transferred to Revenue - Operating	(2 669 954)	-
Transferred to Revenue - Capital	(17 799 692)	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	<u>509 637</u>	<u>-</u>
This grant is used to develop new, refurbish, upgrade and replace ageing bulk water and sanitation infrastructure of regional significance that connects water resources to infrastructure serving extensive areas across municipal boundaries.		
<b>20.09 Library Services MRF</b>		
Opening Unspent Balance	4 568	4 568
Grants Received / (Repaid)	5 297 432	5 026 000
Transferred to Revenue - Operating	(5 302 000)	(5 026 000)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	<u>-</u>	<u>4 568</u>
The Library Services (Municipal Replacement Fund) Grant is used to pay the salaries of library staff.		
<b>20.10 CDW Support</b>		
Opening Unspent Balance	169 000	5 176
Grants Received / (Repaid)	(18 000)	163 824
Transferred to Revenue - Operating	(71 883)	-
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	<u>79 117</u>	<u>169 000</u>
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.		
<b>20.11 Municipal Drought Support Grant</b>		
Opening Unspent Balance	105 486	105 486
Grants Received / (Repaid)	(105 486)	-
Transferred to Revenue - Operating	-	-
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	<u>-</u>	<u>105 486</u>
This grant is utilised for the completion of the desalination plant in Lambert's Bay.		



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# CEDERBERG LOCAL MUNICIPALITY

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<b>20 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)</b>		
<b>20.12 Local Government Graduate Internship Grant</b>		
Opening Unspent Balance	39 170	156 859
Grants Received / (Repaid)	-	(76 859)
Transferred to Revenue - Operating	(39 170)	(40 830)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	<u>-</u>	<u>39 170</u>
This grant is used to provide financial assistance to municipalities in support of capacity building for the future by means of internship programme.		
<b>20.13 Financial Management Support Grant</b>		
Opening Unspent Balance	301 050	124 973
Grants Received / (Repaid)	958 327	375 027
Transferred to Revenue - Operating	(1 259 377)	(198 950)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	<u>-</u>	<u>301 050</u>
The Financial Management Grant is paid by Provincial Treasury to municipalities to help implement revenue enhancement.		
<b>20.14 Municipal Capacity Building Grant</b>		
Opening Unspent Balance	214 617	878 281
Grants Received / (Repaid)	180 358	(313 281)
Transferred to Revenue - Operating	(95 797)	(350 383)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	<u>299 178</u>	<u>214 617</u>
This grant is utilised as a capacity initiative for graduates to enter the workforce in local government.		
<b>20.15 Thusong Service Centre Grant</b>		
Opening Unspent Balance	22 258	179 543
Grants Received / (Repaid)	127 742	(8 898)
Transferred to Revenue - Operating	(138 144)	(148 387)
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	<u>11 856</u>	<u>22 258</u>
This grant is used to provide financial assistance to municipalities, ensuring the financial sustainability of the Thusong Service Centres.		
<b>20.16 Public Employment Support Grant</b>		
Opening Unspent Balance	-	-
Grants Received / (Repaid)	1 100 000	-
Transferred to Revenue - Operating	(1 010 061)	-
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	<u>89 939</u>	<u>-</u>
This grant is used to coordinate and ensure the implementation of targeted, short term public employment programmes for communities identified as being in distress.		

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

Figures in Rand

	2022	2021
<b>20 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)</b>		
<b>20.17 Municipal Library Support Grant</b>		
Opening Unspent Balance	-	-
Grants Received / (Repaid)	205 000	-
Transferred to Revenue - Operating	(1 934)	-
Transferred to Revenue - Capital	-	-
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	<b>203 066</b>	-
This grant funding is utilized for personnel, operational and/or capital costs of libraries in the municipal area.		
<b>20.18 Total Grants</b>		
Opening Unspent Balance	1 081 961	27 474 112
Grants Received / (Repaid)	125 240 844	93 477 794
Transferred to Revenue - Operating	(74 305 017)	(77 633 162)
Transferred to Revenue - Capital	(45 631 826)	(42 236 784)
Transfer to / (from) Receivables	-	-
Closing Unspent Balance	<b>6 385 962</b>	<b>1 081 961</b>
<b>21 CONTRIBUTED ASSETS</b>		
Property, Plant and Equipment	3 323 716	-
<b>Total</b>	<b>3 323 716</b>	-
Contributed Assets consists out of the following:		
- Skip Loader Truck	2 849 049	-
- Traffic Law Enforcement Vehicles	474 667	-
<b>Total</b>	<b>3 323 716</b>	-
The contributed assets were donated from the following parties:		
- Department of Forestry, Fisheries and the Environment	2 849 049	-
- TMT Services and Supplies (Pty) Ltd	474 667	-
<b>Total</b>	<b>3 323 716</b>	-
<b>22 AVAILABILITY CHARGES</b>		
Electricity	1 935 632	1 737 078
Water	506 682	492 607
Sewerage and Sanitation	286 837	275 954
<b>Total</b>	<b>2 729 152</b>	<b>2 505 639</b>
As previously reported		-
Correction of error restatement - note 42.1		2 505 639
Restated balance		<b>2 505 639</b>
Availability charges are levied where the Municipality has installed the relevant infrastructure networks (relating to water, electricity and sewerage) in the area where the consumer resides, but the consumer has not requested to be and is not connected to the networks.		



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# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

<i>Figures in Rand</i>	2022	2021
<b>23 FINES, PENALTIES AND FORFEITS</b>		
Traffic	8 315 900	10 230 401
Overdue Book Fines	4 693	3 361
Illegal Connections	31 750	60 202
Retentions	216 867	1 200 000
Unclaimed Money	612 135	59 345
<b>Total</b>	<b>9 181 345</b>	<b>11 553 309</b>
As previously reported		9 185 854
Correction of error restatement - note 42.1		2 367 455
Restated balance		11 553 309
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.		
<b>24 ACTUARIAL GAINS</b>		
Long Service Awards	32 949	-
<b>Total</b>	<b>32 949</b>	-
<b>25 SERVICE CHARGES</b>		
Electricity	114 430 288	100 569 310
Water	31 799 104	29 708 533
Sewerage and Sanitation	15 120 903	13 982 283
Refuse	13 319 031	11 342 291
<b>Total Revenue</b>	<b>174 669 326</b>	<b>155 602 418</b>
Less: Rebates	(5 085 187)	(6 546 104)
Electricity	(64 315)	(72 436)
Water	(1 077 502)	(1 136 775)
Sewerage and Sanitation	(3 403 708)	(4 801 038)
Refuse	(539 663)	(535 854)
<b>Total</b>	<b>169 584 139</b>	<b>149 056 314</b>
As previously reported		151 561 953
Correction of error restatement - note 42.1		(2 505 639)
Restated balance		149 056 314
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.		
<b>26 RENTAL OF FACILITIES AND EQUIPMENT</b>		
Halls and Sportfields	200 922	30 411
Camping and Entrance Fees	2 524 056	1 627 979
Commonage	545 242	585 113
Hawker Stands	83 150	89 113
<b>Total</b>	<b>3 353 370</b>	<b>2 332 616</b>

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

<i>Figures in Rand</i>	2022	2021
<b>27 INTEREST EARNED - EXTERNAL INVESTMENTS</b>		
Bank Accounts	148 773	141 155
Call Investment Deposits	561 058	566 967
Eskom Deposits	39 881	40 476
<b>Total</b>	<b>749 712</b>	<b>748 598</b>

<b>28 AGENCY SERVICES</b>		
Drivers Licence Applications	206 591	198 495
Drivers Licences Issued	357 572	329 825
Duplicate Registration Certificates	50 914	55 259
Keeping of Registration Number	11 200	14 200
Learner Licence Applications	93 571	86 948
Learner Licences Issued	28 775	24 139
Professional Drivers Permit Applications	80 541	80 238
Professional Drivers Permits Issued	46 959	32 326
Roadworthy Certificate Applications	210 243	232 367
Roadworthy Certificates Issued	42 045	47 279
Temporary and special permits	24 399	26 298
Vehicle Registration	2 518 905	2 592 555
<b>Total</b>	<b>3 671 714</b>	<b>3 719 929</b>

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 53.1 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.

<b>29 OTHER INCOME</b>		
Application Fees for Land Usage	47 650	83 035
Building Plan Approval	1 562 425	1 449 685
Cemetery and Burial	147 356	162 133
Clearance and Valuation Certificates	140 511	152 761
Collection Charges	-	1 145
Commission	132 344	61 019
Licences and Permits	2 650	2 304
Development Charges	113 033	188 500
Photocopies and Faxes	11 861	13 257
Skills Development Levy Refund	244 514	164 004
Sub-division and Consolidation Fees	47 847	16 909
Tender Documents	226 838	148 280
Sundry Income	232 644	45 874
<b>Total</b>	<b>2 909 674</b>	<b>2 488 906</b>

Sundry income represents sundry income such as sale of sundry items (wood, sand and stones) and fees for items not included under service charges

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

Figures in Rand

	2022	2021
<b>30 EMPLOYEE RELATED COSTS</b>		
Basic Salaries and Wages	86 349 554	80 407 038
Pension and UIF Contributions	14 084 676	12 816 203
Medical Aid Contributions	4 504 348	4 325 183
Overtime	4 213 922	3 348 832
Motor Vehicle Allowances	7 319 749	5 667 029
Cell Phone Allowances	543 626	474 363
Housing Allowances	354 827	420 162
Other benefits and allowances	5 134 513	4 632 127
Bargaining Council	44 948	42 391
Group Life Insurance	1 782 998	1 485 789
Scarcity Allowances	365 441	488 799
Standby Allowances	2 941 126	2 615 148
Contributions to Employee Benefits	9 874 935	9 765 994
Bonuses	6 386 947	6 001 564
Staff Leave	1 080 455	1 956 701
Performance Bonus	333 533	194 728
Long Service Awards	525 000	495 000
Post Retirement Medical Benefits	1 549 000	1 118 000
Workmens Compensation Fund	647 420	609 805
<b>Total</b>	<b>133 027 571</b>	<b>122 466 737</b>

### Remuneration of Management Personnel

The Municipal Manager and Directors are appointed on a 5-year fixed contract, except for R Kearns who was appointed on a 3 months contract.

#### Municipal Manager - DJ Adonis (appointed Mar 2022)

Annual Remuneration	316 043	-
Performance Bonus / 13th Cheque	-	-
Car Allowance	52 000	-
Cellphone Allowance	18 000	-
Rural Allowance	30 747	-
Contributions to UIF, Medical, Pension Funds and Bargaining Council	71 957	-
<b>Total</b>	<b>488 747</b>	<b>-</b>

#### Municipal Manager - HG Slimmert (appointed July 2020 to March 2021)

Annual Remuneration	-	709 813
Performance Bonus / 13th Cheque	-	-
Car Allowance	-	114 000
Cellphone Allowance	-	70 500
Rural Allowance	-	67 177
Leave Payout	-	91 733
Contributions to UIF, Medical, Pension Funds and Bargaining Council	-	96 523
<b>Total</b>	<b>-</b>	<b>1 149 746</b>

#### Director: Community Services - HG Slimmert (appointed April 2021)

Annual Remuneration	895 163	192 094
Performance Bonus / 13th Cheque	-	-
Car Allowance	60 000	15 000
Cellphone Allowance	60 000	15 000
Rural Allowance	82 304	18 206
Contributions to UIF, Medical, Pension Funds and Bargaining Council	228 113	53 641
<b>Total</b>	<b>1 325 580</b>	<b>293 940</b>

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

Figures in Rand

	2022	2021
<b>30 EMPLOYEE RELATED COSTS (CONTINUED)</b>		
<b>Director: Community Services - R Bent (resigned June 2020)</b>		
Annual Remuneration	-	-
Performance Bonus / 13th Cheque	-	-
Car Allowance	-	-
Cell Phone Allowance	-	-
Rural Allowance	-	-
Contributions to UIF, Medical, Pension Funds and Bargaining Council	-	149
Leave Payout	-	95 407
<b>Total</b>	<b>-</b>	<b>95 556</b>
<b>Director: Finance - M Memani (19 Oct 2020 - 19 Apr 2021 and 11 May 2021 - 31 March 2022)</b>		
Annual Remuneration	663 705	511 437
Car Allowance	90 000	77 478
Cellphone Allowance	45 000	26 672
Rural Allowance	72 469	56 748
Leave Payout	58 639	47 089
Contributions to UIF, Medical, Pension Funds and Bargaining Council	120 612	93 356
<b>Total</b>	<b>1 050 426</b>	<b>812 780</b>
<b>Director: Technical Services - R Kearns (Appointed 3 May 2021 - 31 July 2021)</b>		
Annual Remuneration	66 694	133 388
Car Allowance	20 000	40 000
Cellphone Allowance	3 000	6 000
Rural Allowance	6 069	12 137
Contributions to UIF, Medical, Pension Funds and Bargaining Council	187	2 181
<b>Total</b>	<b>95 950</b>	<b>193 706</b>
<b>Director: Technical Services - AB Allison (Appointed 1 Sep 2021)</b>		
Annual Remuneration	786 939	-
Car Allowance	80 000	-
Cellphone Allowance	50 000	-
Rural Allowance	60 686	-
Contributions to UIF, Medical, Pension Funds and Bargaining Council	1 812	-
<b>Total</b>	<b>979 437</b>	<b>-</b>
<b>Employees acting in management positions</b>		
The following employees acted in management positions for a significant time during the course of the year. The amounts as indicated below are remuneration received for the period in which they acted in the respective positions.		
<b>Mr R Kearns - Acting Director: Technical Services for 21 days (2021 - 0 days)</b>		
Annual Remuneration	57 350	-
Car Allowance	12 903	-
Cellphone Allowance	1 000	-
Contributions to UIF, Medical, Pension Funds and Bargaining Council	187	-
Acting Allowance	24 509	-
<b>Total</b>	<b>95 950</b>	<b>-</b>
<b>Mr M Memani - Acting Municipal Manager for 28 days (2021 - 0 days)</b>		
Acting Allowance	18 895	-
<b>Total</b>	<b>18 895</b>	<b>-</b>
Mr M Memani's full remuneration, excluding Acting Allowance, is already disclosed as part of this note.		

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

Figures in Rand

	2022	2021
<b>30 EMPLOYEE RELATED COSTS (CONTINUED)</b>		
<b>Mr D Frantz - Acting Director: Community Services for 45 days (2021 - 0 days)</b>		
Annual Remuneration	52 365	-
Car Allowance	13 285	-
Contributions to UIF, Medical, Pension Funds and Bargaining Council	10 969	-
Acting Allowance	29 259	-
<b>Total</b>	<b>105 877</b>	<b>-</b>
<b>Mr A Titus - Acting Municipal Manager for 215 days (2021 - 91 days)</b>		
Annual Remuneration	414 645	168 350
Performance Bonus / 13th Cheque	58 810	-
Housing Allowance	6 689	2 831
Car Allowance	89 379	36 255
Cellphone Allowance	6 242	2 642
Contributions to UIF, Medical, Pension Funds and Bargaining Council	85 126	34 382
Acting Allowance	296 739	127 174
<b>Total</b>	<b>957 629</b>	<b>371 634</b>
<b>Mr GRJ Seas - Acting Director: Finance for 0 days (2021 - 31 days)</b>		
Annual Remuneration	-	56 773
Car Allowance	-	12 500
Contributions to UIF, Medical, Pension Funds and Bargaining Council	-	159
Acting Allowance	-	33 895
<b>Total</b>	<b>-</b>	<b>103 326</b>
<b>Me EH Visser - Acting Director: Finance for 0 days (2021 - 87 days)</b>		
Annual Remuneration	-	148 120
Performance Bonus / 13th Cheque	-	41 331
Contributions to UIF, Medical, Pension Funds and Bargaining Council	-	30 275
<b>Total</b>	<b>-</b>	<b>219 726</b>
<b>Mr GW Hermanus - Acting Director: Community Services for 0 days (2021 - 31 days)</b>		
Annual Remuneration	-	55 273
Car Allowance	-	12 500
Cellphone Allowance	-	900
Contributions to UIF, Medical, Pension Funds and Bargaining Council	-	159
Acting Allowance	-	33 895
Leave Payout	-	52 708
<b>Total</b>	<b>-</b>	<b>155 434</b>
<b>Mr A Titus - Acting Director: Community Services for 11 days (2021 - 230 days)</b>		
Annual Remuneration	21 062	425 501
Performance Bonus / 13th Cheque	-	53 188
Housing Allowance	342	7 156
Car Allowance	4 612	88 401
Cellphone Allowance	319	6 677
Contributions to UIF, Medical, Pension Funds and Bargaining Council	4 369	86 830
Acting Allowance	1 131	246 817
<b>Total</b>	<b>31 835</b>	<b>914 570</b>
<b>Mr JG Kotze - Acting Director: Technical Services for 0 days (2021 - 260 days)</b>		
Annual Remuneration	-	447 971
Performance Bonus / 13th Cheque	-	20 739
Car Allowance	-	102 302
Contributions to UIF, Medical, Pension Funds and Bargaining Council	-	118 758
Acting Allowance	-	279 212
Leave Payout	-	33 583
<b>Total</b>	<b>-</b>	<b>1 002 565</b>



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# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

Figures in Rand

	2022	2021
<b>31 REMUNERATION OF COUNCILLORS</b>		
Executive Mayor	861 529	903 233
Deputy Executive Mayor	686 401	691 412
Speaker	692 302	716 852
Mayoral Committee Members	973 250	1 428 552
All Other Councillors	1 786 623	1 831 943
<b>Total</b>	<b>5 000 104</b>	<b>5 571 991</b>

	Basic Salary	Cell Phone Allowances	Total
<b>2022</b>			
Executive Mayor	824 990	36 539	861 529
Deputy Executive Mayor	659 993	26 408	686 401
Speaker	659 993	32 309	692 302
Mayoral Committee Members	880 672	92 578	973 250
All Other Councillors	1 561 252	225 370	1 786 623
<b>Total</b>	<b>4 586 900</b>	<b>413 204</b>	<b>5 000 104</b>

<b>2021</b>			
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
<b>Total</b>	<b>5 139 403</b>	<b>432 588</b>	<b>5 571 991</b>

### The positions of Executive Mayor, Deputy Mayor and Speaker were filled as follow:

Executive Mayor	- RR Richards (from 16 November 2021) NS Qunta (16 October 2019 to 15 November 2021)
Deputy Mayor	- JH Van Heerden (from 16 November 2021) L Scheepers (16 October 2019 to 15 November 2021)
Speaker	- WJ Farmer (from 16 November 2021) P Straus (16 October 2019 to 15 November 2021)

### 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.

## 32 DEBT IMPAIRMENT

Receivables from Exchange Transactions	15 986 207	21 091 711
Receivables from Non-Exchange Transactions	9 381 242	13 477 238
<b>Total Debt Impairment</b>	<b>25 367 449</b>	<b>34 568 949</b>
Movement in VAT included in debt impairment	1 409 674	198 055
<b>Total</b>	<b>26 777 123</b>	<b>34 767 004</b>
As previously reported		32 636 625
Correction of error restatement - note 42.1		2 130 378
Restated balance		34 767 004



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

Figures in Rand

	2022	2021
<b>33 DEPRECIATION AND AMORTISATION</b>		
Investment Property	52 250	52 250
Property, Plant and Equipment	25 084 784	21 477 945
Intangible Assets	210 229	222 315
<b>Total</b>	<b>25 347 263</b>	<b>21 752 510</b>
As previously reported		21 748 338
Correction of error restatement - note 42.3		4 172
Restated balance		21 752 510
<b>34 IMPAIRMENT</b>		
Water Infrastructure	1 384 931	1 384 931
Capitalised Restoration Cost	118 214	549 901
<b>Total</b>	<b>1 503 145</b>	<b>1 934 832</b>
As previously reported		549 901
Correction of error restatement - note 42.3		1 384 931
Restated balance		1 934 832
Impairment on Water Infrastructure relates to the Lamberts Bay desalination plant which is not yet in operation. The impairment is based on the estimated refurbishment cost to reinstate the plant to its original condition in order to commence with operations.		
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.		
<b>35 FINANCE CHARGES</b>		
<b>Cash</b>	4 705 780	5 354 594
Long-term Liabilities	1 251 624	1 989 549
Bank Overdraft	47 788	25 903
Overdue Accounts	3 406 368	3 339 142
<b>Non-cash</b>	7 500 575	6 230 476
Post Retirement Medical Benefits	2 831 000	2 460 000
Long Service Awards	504 000	382 000
Rehabilitation of Landfill Sites	4 165 575	3 388 476
<b>Total</b>	<b>12 206 355</b>	<b>11 585 070</b>
Finance charges on overdue accounts mainly relate to interest which was charged by Eskom on overdue accounts.		
<b>36 BULK PURCHASES</b>		
Electricity	93 891 074	81 771 284
Water	802 586	757 297
<b>Total</b>	<b>94 693 660</b>	<b>82 528 580</b>
As previously reported		82 513 833
Correction of error restatement - note 42.2		14 747
Restated balance		82 528 580

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.



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# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

<i>Figures in Rand</i>	2022	2021
<b>37 CONTRACTED SERVICES</b>		
Accounting and Auditing	4 824 683	1 921 639
Engineering Services	1 079 283	84 056
Fire Services - West Coast District Municipality	1 319 514	1 849 448
Human Resources	123 928	235 269
Laboratory Services	258 770	334 187
Legal Cost	4 548 412	1 843 458
Maintenance Services	5 913 688	3 885 624
Research and Advisory	3 726 697	373 134
Safeguard and Security	7 187 381	3 651 247
Traffic Fines Management	481 730	1 323 661
Valuers and Assessors	1 173 345	311 224
Other Contracted Services	2 333 523	1 468 749
<b>Total</b>	<b>32 970 953</b>	<b>17 281 696</b>
<b>38 TRANSFERS AND GRANTS</b>		
Bursaries	95 270	314 006
Sport Councils	-	50 000
Social Relief	98 471	125 050
Tourism	50 000	-
<b>Total</b>	<b>243 742</b>	<b>489 056</b>
As previously reported		406 006
Correction of error restatement - note 42.5		83 050
Restated balance		489 056
<b>39 OTHER EXPENDITURE</b>		
Advertising, Publicity and Marketing	236 308	250 430
Bank Charges	797 007	719 938
Chemicals	278 199	314 096
Cleaning Materials	260 222	252 710
Commission - Prepaid Electricity	1 996 051	1 852 994
Computer Services	1 639 161	1 593 840
Drivers Licences and Permits	231 353	226 282
External Audit Fees	4 302 952	4 173 171
Fuel and Oil	3 926 579	2 901 701
Hire Charges	1 804 693	1 523 170
Insurance	1 291 963	1 159 152
Maintenance Materials and Tools	2 930 574	2 464 504
Motor Vehicle Licence and Registrations	204 502	204 392
Electricity - Internal usage	4 405 533	2 492 836
Printing and Stationery	912 199	884 866
Professional Bodies, Membership and Subscription	1 404 070	1 260 492
Remuneration of Ward Committees	-	47 000
Skills Development Fund Levy	1 111 925	858 659
Telephone	659 782	604 444
Training	448 742	318 210
Travel and Subsistence	287 282	279 841
Uniform and Protective Clothing	681 103	635 771
Other Expenditure	692 320	1 263 285
<b>Total</b>	<b>30 502 519</b>	<b>26 281 784</b>
As previously reported		26 364 833
Correction of error restatement - note 42.5		(83 050)
Restated balance		26 281 784

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

<i>Figures in Rand</i>	2022	2021
<b>40 ACTUARIAL LOSSES</b>		
Post Retirement Medical Benefits	865 011	1 837 083
Long Service Awards	-	108 915
<b>Total</b>	<b>865 011</b>	<b>1 945 998</b>
The actuarial loss mainly originated as a result of a decrease in the net discount rate being used by the actuaries to calculate the employee benefits.		
<b>41 GAIN/(LOSS) ON DISPOSAL OF NON-MONETARY ASSETS</b>		
Proceeds	4 487 200	350 757
Less: Carrying value of Investment Property disposed	(2 863 278)	(33 365)
Less: Carrying value of Property, Plant and Equipment disposed	(980 277)	(243 044)
Less: Carrying value of Intangible Assets disposed	(138)	(175)
<b>Total</b>	<b>643 507</b>	<b>74 173</b>
As previously reported		73 038
Correction of error restatement - note 42.3		1 134
Restated balance		74 173
<b>42 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR</b>		
<b>42.1 Receivables from Non-Exchange Transactions</b>		
Corrections made to Receivables from Non-Exchange Transactions include the following:		
<ul style="list-style-type: none"> <li>- Other Receivables amounting to R167 923 which included accrued interest and bonuses were not cleared in the following year.</li> <li>- During the 2020/21 statutory audit, the Auditor General (AGSA) raised a finding that Availability Charges should be disclosed as non-exchange revenue and not as exchange revenue. The Municipality adopted AGSA's recommendation and accordingly reclassified Availability Charges as non-exchange revenue. Accordingly, availability charges revenue and the associated net receivable amounting to R2 505 639 and R423 647 respectively, were reclassified.</li> <li>- An Eskom deposit amounting to R70 500 was incorrectly expensed during 2019/20.</li> <li>- Traffic fines issued amounting to R2 367 455 was not recorded in the prior year. Accordingly, debt impairment was also not recognised on the unrecorded fines, which is calculated at R2 130 378.</li> </ul>		
The net effect of the above-mentioned errors were as follow:		
- Receivables from Exchange Transactions - note 3	Overstated	(423 647)
- Receivables from Non-Exchange Transactions - note 4	Understated	563 300
- Availability Charges - note 22	Understated	2 505 639
- Fines, Penalties and Forfeits - note 23	Understated	2 367 455
- Service Charges - note 25	Overstated	(2 505 639)
- Debt Impairment - note 32	Understated	2 130 378
- Accumulated Surplus - note 42.4	Overstated	(97 423)

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### 42 PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR (CONTINUED)

#### 42.2 Inventory

Water inventory was incorrectly valued due to the incorrect cost per kilolitre used, which resulted in an overstated of inventory amounting to R128 653.

The net effect of the above-mentioned errors were as follow:

- Inventory - note 8	Overstated	(128 653)
- Bulk Purchases - note 36	Understated	14 747
- Accumulated Surplus - note 42.4	Overstated	(113 905)

#### 42.3 Property, Plant and Equipment

Corrections made to Property, Plant and Equipment include the following:

- Impairment amounting to R9 539 724 which relates to the Lamberts Bay desalination plant was not recognised in the prior years.
- Movable assets previously not included in the asset register were identified during the current year's asset verification with a carrying value of R23 705.
- Movable assets with a carrying value of R1 134 were incorrectly disposed in prior periods.
- Assets with a carrying value of R1 817 were duplicated on the asset register and accordingly removed.
- Previous disposals of asset with a carrying value of R86 750 were not removed from the asset register.
- Capital expenditure amounting to R11 202 was previously incorrectly classified as operating expenditure.
- Properties with a carrying value of R363 000 of which the Municipality exercise control was not included in the asset register.
- A retention payment amounting to R657 917 was incorrectly capitalised, rather than being offset against the retention account.

The net effect of the above-mentioned errors were as follow:

- Investment Property - note 9	Understated	254 250
- Property, Plant and Equipment - note 10	Overstated	(10 141 417)
- Payables from Exchange Transactions - note 14	Overstated	(657 917)
- Depreciation and Amortisation - note 33	Understated	4 172
- Impairment - note 34	Understated	1 384 931
- Gain on disposal of Non-Monetary Assets - note 41	Understated	1 134
- Accumulated Surplus - note 42.4	Overstated	(7 841 282)

#### 42.4 Accumulated Surplus

Receivables from Non-Exchange Transactions - note 42.1	Overstated	(97 423)
Inventory - note 42.2	Overstated	(113 905)
Property, Plant and Equipment - note 42.3	Overstated	(7 841 282)
<b>Total</b>		<b>(8 052 610)</b>

#### 42.5 Reclassifications

Social Relief amounting to R83 050 was incorrectly classified as Other Expenditure, rather than Transfers and Grants.

The net effect of the above-mentioned errors were as follow:

- Transfers and Grants - note 38	Understated	83 050
- Other Expenditure - note 39	Overstated	(83 050)



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<b>43 NET CASH FROM OPERATING ACTIVITIES</b>		
Net Surplus for the year	9 704 694	19 700 037
Adjusted for:		
Non-cash revenue included in Net Surplus	(3 995 439)	(73 700)
Contributed Assets	(3 323 716)	-
Actuarial Gains	(32 949)	-
Rental of Facilities and Equipment - decrease in operating lease asset	4 733	473
Gain on disposal of Non-Monetary Assets	(643 507)	(74 173)
Non-cash expenditure included in Net Surplus	71 865 240	76 390 262
Employee Related Costs - Contributions towards	9 874 935	9 765 994
Post Retirement Medical Benefits	1 549 000	1 118 000
Long Service Awards	525 000	495 000
Bonuses	6 386 947	6 001 564
Staff Leave	1 080 455	1 956 701
Performance Bonuses	333 533	194 728
Debt Impairment	26 777 123	34 767 004
Depreciation and Amortisation	25 347 263	21 752 510
Impairment	1 503 145	1 934 832
Finance Charges	7 500 575	6 230 476
Post Retirement Medical Benefits	2 831 000	2 460 000
Long Service Awards	504 000	382 000
Provision for Rehabilitation of Landfill-sites	4 165 575	3 388 476
Other Expenditure - decrease in operating lease liability	(2 812)	(6 551)
Actuarial Losses	865 011	1 945 998
Cash expenditure not included in Net Surplus	(9 180 452)	(8 751 996)
Post Retirement Medical Benefits	(1 123 011)	(923 083)
Long Service Awards	(633 051)	(560 915)
Bonuses	(6 184 265)	(5 830 514)
Staff Leave	(1 240 125)	(1 437 484)
Performance Bonus	-	-
Operating Surplus before changes in working capital	68 394 044	87 264 603
Movement in working capital	(20 591 964)	(39 505 608)
Receivables from Exchange Transactions	(17 861 942)	(19 239 989)
Receivables from Non-Exchange Transactions	(12 962 277)	(12 274 062)
Inventory	(177 041)	(3 725)
Long-term Receivables	31 969	(31 969)
Consumer Deposits	221 372	209 775
Payables from exchange transactions - Operating	10 089 929	19 795 544
Total	14 159 090	13 919 491
Add back: Capital included in Trade Payables	(5 996 726)	7 554 174
Add back: Retentions	1 927 566	(1 678 120)
Unspent Conditional Government Grants	5 304 000	(26 392 151)
Taxes	(5 237 974)	(1 569 031)
<b>Cash Flow from Operating Activities</b>	<b>47 802 080</b>	<b>47 758 995</b>



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### 44 CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents comprise out of the following:

Primary Bank Account	3 252 125	5 311 494
Call and Notice Deposits	8 556 790	4 432 167
Cash Floats	6 226	6 226
<b>Total</b>	<b>11 815 140</b>	<b>9 749 887</b>

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

### 45 BUDGET COMPARISONS

#### 45.1 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

Consumer Debtors consist out of both Receivables from Exchange Transactions as well as the Rates Receivable.

Other Receivables incorporate all other current receivable balances not specifically provided for in the National Treasury formats.

Trade and Other Payables incorporates Payable from exchange transactions, Unspent grants, Unspent public contributions, Taxes and Operating lease liabilities.

Employee Benefits and Provisions (Current and Non-Current) are included under the provisions line item in the budget statements.

#### Statement of Financial Performance

The following actual results were reclassified to ensure that the performance for the year is measured on a comparable basis to the budget approved, which are guided by mSCOA and National Treasury (NT) classifications and principles:

Item	GRAP Classification	Budget Classification	Amount
Camping and Entrance Fees	Rentals of Facilities and Equipment	Other Revenue	2 524 056
Licences and Permits	Other Revenue	Licences and Permits	2 650
Development Charges	Other Revenue	Transfers and subsidies - capital (monetary)	113 033
Workmens Compensation Fund	Employee Related Cost	Other Expenditure	647 420
Water	Bulk Purchases	Inventory Consumed	802 586
Chemicals	Other Expenditure	Inventory Consumed	278 199
Cleaning Materials	Other Expenditure	Inventory Consumed	260 222
Fuel and Oil	Other Expenditure	Inventory Consumed	3 926 579
Maintenance Materials and Tools	Other Expenditure	Inventory Consumed	2 503 731
Other Expenditure	Other Expenditure	Inventory Consumed	372 933
Printing and Stationery	Other Expenditure	Inventory Consumed	187 880

The treatment of the funding received from the Department of Human Settlements (DoHS) for the construction of housing top structures has different treatment for GRAP and budget purposes. For budget purposes, revenue is budgeted as part of "Transfers recognised - Operational" and the respective expenditure is budgeted as 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. In order to align the actuals to the budgeted amounts, the following reclassification of revenue and expenditure is required:

Item	GRAP Classification	Budget Classification	Amount
Claims submitted to DoHS	None	Transfers Recognised - Operational	21 728 358
Expenditure incurred on behalf of DoHS	None	Contracted Services	21 728 358

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<b>45 BUDGET COMPARISONS (CONTINUED)</b>		
	<b>Actuals per</b>	
	<b>Statement of</b>	
	<b>Financial</b>	
	<b>Performance</b>	<b>Reclassification due</b>
	<b>R</b>	<b>to mSCOA versus</b>
		<b>GRAP classification</b>
		<b>R</b>
		<b>Actuals per</b>
		<b>Budget</b>
		<b>Comparison</b>
		<b>R</b>
<b>Summary of Reclassification to Actuals</b>		
<b>REVENUE</b>		
Property Rates	52 403 952	-
Service Charges - Electricity Revenue	116 301 605	-
Service Charges	114 365 973	
Availability Charges	1 935 632	
Service Charges - Water Revenue	31 228 285	-
Service Charges	30 721 602	
Availability Charges	506 682	
Service Charges - Sanitation Revenue	12 004 032	-
Service Charges	11 717 195	
Availability Charges	286 837	
Service Charges - Refuse Revenue	12 779 368	-
Rental of Facilities and Equipment	3 353 370	(2 524 056)
Interest Earned - External Investments	749 712	-
Interest Earned - Outstanding Debtors	4 288 314	-
Fines	9 181 345	-
Licences and Permits	-	2 650
Agency Services	3 671 714	-
Transfers Recognised - Operational	74 305 017	21 728 358
Other Revenue	2 943 428	2 408 373
Insurance Refund	33 754	
Other Income	2 909 674	
Gains	676 456	-
Actuarial Gains	32 949	
Gain on disposal of Non-Monetary Assets	643 507	
<b>Total Revenue (excluding capital transfers)</b>	<b>323 886 599</b>	<b>21 615 325</b>
<b>EXPENDITURE</b>		
Employee Related Costs	133 027 571	(647 420)
Remuneration of Councillors	5 000 104	-
Debt Impairment	26 777 123	-
Depreciation and Asset Impairment	26 850 408	-
Depreciation and Amortisation	25 347 263	
Impairment	1 503 145	
Finance Charges	12 206 355	-
Bulk purchases	94 693 660	(802 586)
Inventory consumed	-	8 332 131
Contracted Services	32 970 953	21 728 358
Transfers and Grants	243 742	-
Other Expenditure	30 502 519	(6 882 125)
Losses	865 011	-
<b>Total Expenditure</b>	<b>363 137 446</b>	<b>21 728 358</b>
<b>Surplus/(Deficit)</b>	<b>(39 250 848)</b>	<b>(113 033)</b>
Transfers and subsidies - capital (monetary) - Government	45 631 826	-
Transfers and subsidies - capital (monetary) - Other	-	113 033
Transfers and subsidies - capital (in-kind)	3 323 716	-
<b>Surplus/(Deficit) for the year</b>	<b>9 704 694</b>	<b>9 704 693</b>



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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

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### 45 BUDGET COMPARISONS (CONTINUED)

#### Cash Flow Statement

The Cash Flow Statement is presented on a comparable basis in all material aspects, except for following:

- Funding received from the Department of Human Settlements as indicated in the section under "Statement of Financial Performance".
- Property sales are budgeted under "Other Revenue", but for GRAP purposes are disclosed as "Proceeds on disposal of PPE"
- Consumer Deposits are budgeted under "Increase/(Decrease) in Consumer Deposits", but for GRAP purposes are disclosed as "Other Revenue"
- Debtors with arrangements are budgeted as "Decrease (increase) in non-current receivables", but for GRAP purposes are disclosed as "Service Charges".

The actuals of the cash flow statement were adjusted as follow in order to be on a comparable basis:

Item as per Cash Flow Statement	As per GRAP Cash Flow Statement	Adjustment	As per Budget Cash Flow Statement
Service Charges	157 195 927	(31 969)	157 163 958
Other Revenue	9 936 605	4 265 828	14 202 433
Government Grants	125 240 843	21 728 358	146 969 201
Suppliers and employees	(288 097 071)	(21 728 358)	(309 825 430)
Proceeds on disposal of PPE	4 487 200	(4 487 200)	-
Decrease (increase) in non-current receivables	-	31 969	31 969

### 45.2 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 2020/21.

#### Actual Amounts vs Final Budget

Cash and Call Investment Deposits	Actuals are more than budget due to grant related projects not concluded at year-end.
Consumer debtors	Actuals are more than budget due to a lower allowance for debt impairment, as a direct result of stricter credit controls implemented.
Property, plant and equipment	Actuals are less than budget due to less than 70% of capital budget spent during the year. In addition, the impairment relating to the Lamberts Bay desalination plant was not included in the budget.
Trade and other payables	Actuals are more than budget due to unspent grants of R7 million which were budgeted to be spent in full, but of which the projects were not concluded at year-end.
Borrowing	Actuals are less than budget, as no loans were taken up as anticipated.
Provisions and Employee Benefits	Actuals were less than budget due to a the provision on landfill sites which were less than anticipated.
Accumulated Surplus	Actuals are more than budget as a result of the items listed under the "Statement of Financial Performance" section.

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

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### 45 BUDGET COMPARISONS (CONTINUED)

#### 45.3 Statement of Financial Performance

##### Adjustments to Original Budget

Fines	Decreased as a result of the traffic fines service providers contract which was terminated.
Transfers Recognised - Operational	Increased due to additional grant allocations for the Human Settlements Development Grants.
Employee Related Costs	Increased mainly due to overtime and standby austerity measures not realising as anticipated.
Depreciation and Asset Impairment	Increase based on the work and progress completed during 2020/21.
Bulk purchases - electricity	Decreased as a result of a cost of supply study which was performed, and whereby the Municipality applied for change in tariff structures.
Contracted Services	Increased due to additional grant allocations for the Human Settlements Development Grants. In addition, security services increased as a result of a new service provider.
Other Expenditure	Increased due to an increase in electricity usage as a result of the Citrusdal waste water treatment works which became operational.
Transfers and subsidies - capital (monetary) - Government	Increased due to additional grant allocations for the Regional Bulk Infrastructure Grant (RBIG).

##### Virements

All virements were done in line with the approved virement policy of the Municipality where funds are transferred from one line item. No material virements were done since the final approved budget.

##### Actual Amounts vs Final Budget

Transfers Recognised - Operational	Actuals is less than budget due to not all grant funded projects concluded prior to year-end.
Debt Impairment	Actuals as less than budget as a direct result of stricter credit controls implemented resulting in an increased collection rate.
Contracted Services	Actuals is less than budget due to not all grant funded projects concluded prior to year-end.
Other Expenditure	Actuals were less than budget due to general savings.
Transfers and subsidies - capital (monetary) - Government	Actuals is less than budget due to not all capital grant funded projects concluded prior to year-end.

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### 45 BUDGET COMPARISONS (CONTINUED)

#### 45.4 Cash Flow Statement

##### Adjustments to Original Budget

Net Cash from/(used) Operating Activities	Increased due to additional grant allocations for the Regional Bulk Infrastructure Grant (RBIG).
Net Cash from/(used) Investing Activities	Increased due to additional grant allocations for the Regional Bulk Infrastructure Grant (RBIG).
Net Cash from/(used) Financing Activities	Decreased due to a decrease in capital expenditure funded from borrowings.

##### Actual Amounts vs Final Budget

Net Cash from/(used) Operating Activities	Actuals less than budget due to the Regional Bulk Infrastructure Grant (RBIG) which was not concluded at year-end. Grant funds are only transferred based on claims of expenditure incurred.
Net Cash from/(used) Investing Activities	Actuals less than budget as less than 70% of capital budget spent.
Net Cash from/(used) Financing Activities	Actuals less than budget as no borrowings were taken up.

### 46 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

#### 46.1 Unauthorised Expenditure

Unauthorised expenditure can be reconciled as follow:

Opening balance	1 749 171	7 606 055
Unauthorised expenditure current year - operating	-	183 945
Unauthorised expenditure current year - capital	-	1 565 226
Approved by Council	(1 749 171)	(7 606 055)
<b>Unauthorised expenditure awaiting further action</b>	<b>-</b>	<b>1 749 171</b>

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:

	2022 (Actual) R	2022 (Final Budget) R	2022 (Unauthorised) R	2021 (Unauthorised) R
<b>Unauthorised expenditure - Operating</b>				
Vote 1 - Executive and Council	7 666 797	8 029 963	-	-
Vote 2 - Office of Municipal Manager	13 736 681	14 693 150	-	-
Vote 3 - Financial Administrative Services	59 568 964	68 402 805	-	-
Vote 4 - Community Development Services	13 385 331	14 484 075	-	-
Vote 5 - Corporate and Strategic Services	22 665 166	23 678 366	-	-
Vote 6 - Planning and Development Services	9 621 089	10 135 013	-	-
Vote 7 - Public Safety	23 341 686	23 969 918	-	-
Vote 8 - Electricity	113 221 309	114 582 636	-	-
Vote 9 - Waste Management	19 244 263	19 523 494	-	-
Vote 10 - Waste Water Management	18 260 125	19 546 698	-	-
Vote 11 - Water	32 590 373	33 509 876	-	-
Vote 12 - Housing	24 570 422	25 899 668	-	-
Vote 13 - Road Transport	13 852 283	15 069 396	-	183 945
Vote 14 - Sports and Recreation	13 141 315	13 688 372	-	-
<b>Total</b>	<b>384 865 806</b>	<b>405 213 430</b>	<b>-</b>	<b>183 945</b>

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### 46 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (CONTINUED)

The overspending incurred is attributable to the following categories:

Non-cash - Depreciation and Amortisation (large amount of projects completed in year) - 183 945

	2022 (Actual) R	2022 (Final Budget) R	2022 (Unauthorised) R	2021 (Unauthorised) R
<b>Unauthorised expenditure - Capital</b>				
Vote 1 - Executive and Council	-	-	-	-
Vote 2 - Office of Municipal Manager	-	-	-	-
Vote 3 - Financial Administrative Services	1 301	13 340	-	-
Vote 4 - Community Development Services	150 382	4 660 000	-	-
Vote 5 - Corporate and Strategic Services	395 559	400 000	-	-
Vote 6 - Planning and Development Services	2 699 013	4 507 980	-	-
Vote 7 - Public Safety	475 206	491 000	-	-
Vote 8 - Electricity	15 402 040	18 579 310	-	167 477
Vote 9 - Waste Management	2 849 049	4 849 050	-	-
Vote 10 - Waste Water Management	4 968 491	6 207 586	-	1 397 749
Vote 11 - Water	22 410 866	29 497 894	-	-
Vote 12 - Housing	1 288 914	4 528 184	-	-
Vote 13 - Road Transport	-	1 300 000	-	-
Vote 14 - Sports and Recreation	2 605 782	2 623 565	-	-
<b>Total</b>	<b>53 246 604</b>	<b>77 657 909</b>	<b>-</b>	<b>1 565 226</b>

The overspending incurred is attributable to the following categories:

- Overspending on MIG project (cash)	-	1 397 749
- Overspending on INEP project (cash)	-	167 477
<b>Total</b>	<b>-</b>	<b>1 565 226</b>

### 46.2 Irregular Expenditure

Irregular expenditure can be reconciled as follow:

Opening balance	14 398 811	107 584 888
Irregular expenditure incurred in the current year	33 598 600	14 398 811
Approved by Council	(12 753 616)	(107 584 887)
Amounts to be recovered	(40 000)	-
<b>Irregular expenditure awaiting further action</b>	<b>35 203 795</b>	<b>14 398 811</b>

Details of irregular expenditure incurred in the current year

(a) Procurement process not followed with regards to a supplier appointed by Council in 2011	26 566 920	12 240 020
(b) Deviation not justifiable	-	140 000
(c) Non-compliance with SCM Regulation	6 703 224	2 018 791
(d) Goods delivered and services rendered without an order	328 456	-
<b>Total</b>	<b>33 598 600</b>	<b>14 398 811</b>

Details of irregular expenditure awaiting further action:

(a) Procurement process not followed with regards to a supplier appointed by Council in 2011	26 566 920	12 240 020
(b) Deviation not justifiable	-	140 000
(c) Non-compliance with SCM Regulation	8 308 419	2 018 791
(d) Goods delivered and services rendered without an order	328 456	-
<b>Total</b>	<b>35 203 795</b>	<b>14 398 811</b>

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### 46 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (CONTINUED)

Incidents/cases identified in the current year include:

(a) Procurement process not followed with regards to a supplier appointed by Council in 2011	-	-
(b) Deviation not justifiable	-	1
(c) Non-compliance with SCM Regulation	5	3
(d) Goods delivered and services rendered without an order	3	-
	<u>3</u>	<u>-</u>

Amount recoverable

(a) Procurement process not followed with regards to a supplier appointed by Council in 2011	-	-
(b) Deviation not justifiable	40 000	-
(c) Non-compliance with SCM Regulation	-	-
(d) Goods delivered and services rendered without an order	-	-
<b>Total</b>	<u><b>40 000</b></u>	<u><b>-</b></u>

No disciplinary steps or criminal proceedings were instituted as a result of irregular expenditure incurred.

### 46.3 Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure can be reconciled as follow:

Opening balance	4 792 858	1 296 371
Fruitless and wasteful expenditure incurred	3 406 368	3 511 254
Fruitless and wasteful expenditure recovered	-	-
Approved by Council	-	(14 767)
<b>Fruitless and wasteful expenditure awaiting further action</b>	<u><b>8 199 226</b></u>	<u><b>4 792 858</b></u>

Details of fruitless and wasteful expenditure incurred

(a) Interest levied on overdue accounts	260	1 994
(b) Interest levied by Eskom on overdue accounts	3 406 109	3 337 148
(c) Payment to supplier for goods and services not yet rendered	-	172 112
<b>Total</b>	<u><b>3 406 368</b></u>	<u><b>3 511 254</b></u>

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

- The matter will be tabled 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	2 254	1 994
(b) Interest levied by Eskom on overdue accounts	8 024 860	4 618 751
(c) Payment to supplier for goods and services not yet rendered	172 112	172 112
<b>Total</b>	<u><b>8 199 226</b></u>	<u><b>4 792 858</b></u>

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<b>47 MATERIAL LOSSES</b>		
<b>47.1 Water distribution losses</b>		
Kilo litres disinfected/purified/purchased	2 728 321	2 916 746
Kilo litres sold and free basic services	(2 078 118)	(2 274 405)
	<u>650 203</u>	<u>642 341</u>
Kilo litres lost during distribution	650 203	642 341
Percentage lost during distribution	23.83%	22.02%
Normal pipe bursts and field leakages are responsible for water losses.		
The prior year water losses was restated, due to kilo litres of free basic services relating to the Citrusdal informal settlement which was duplicated.		
<b>47.2 Electricity distribution losses</b>		
Units purchased (Kwh)	61 734 166	60 188 003
Units sold, free basic services and standard friction losses	(57 210 549)	(57 546 988)
	<u>4 523 617</u>	<u>2 641 015</u>
Units lost during distribution (Kwh)	4 523 617	2 641 015
Percentage lost during distribution	7.33%	4.39%
Electricity losses are due to electricity theft on pre-paid meters. Fines were issued for first time offenders.		
<b>48 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT</b>		
<b>48.1 SALGA Contributions [MFMA 125 (1)(b)]</b>		
Opening balance	-	1 162 942
Expenditure incurred	1 302 991	1 151 934
Payments	(1 302 991)	(2 314 876)
<b>Outstanding balance</b>	<u>-</u>	<u>-</u>
<b>48.2 Audit Fees [MFMA 125 (1)(c)]</b>		
Opening balance	-	1 675 341
Expenditure incurred	4 948 395	4 799 146
Audit Fees	4 302 952	4 173 171
VAT	645 443	625 976
Payments	(4 262 383)	(6 474 487)
<b>Outstanding Balance</b>	<u>686 012</u>	<u>-</u>
<b>48.3 VAT [MFMA 125 (1)(c)]</b>		
Opening balance	(2 323 611)	(1 419 503)
Net amount claimed/(declared) during the year	2 429 098	(169 216)
Net amount paid/(received) during the year	(752 092)	(734 892)
<b>Outstanding Balance Receivable/(Payable)</b>	<u>(646 605)</u>	<u>(2 323 611)</u>
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.		
<b>48.4 PAYE, SDL and UIF [MFMA 125 (1)(c)]</b>		
Opening balance	1 506 068	1 318 081
Payroll deductions and Council Contributions during the year	20 714 230	18 515 816
Payments	(20 687 957)	(18 327 829)
<b>Outstanding Balance</b>	<u>1 532 341</u>	<u>1 506 068</u>

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

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<b>48 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)</b>		
<b>48.5 Pension and Medical Aid Contributions [MFMA 125 (1)(c)]</b>		
Opening balance	-	-
Payroll deductions and Council Contributions during the year	30 065 689	28 241 432
Payments made to pension and medical fund	(30 065 689)	(28 241 432)
<b>Outstanding Balance</b>	<b>-</b>	<b>-</b>
<b>48.6 Councillors Arrear Accounts [MFMA 124 (1)(b)]</b>		
No Councillors had arrear accounts outstanding of more than 90 days as on 30 June.		
<b>48.7 Deviations from Supply Chain Management Regulations</b>		
Deviations from Supply Chain Management Regulations were identified on the following categories:		
Section 36(1)(a)(i) - Emergencies	1 503 135	656 831
Section 36(1)(a)(ii) - Single provider	121 180	145 918
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	146 304	738 625
<b>Total</b>	<b>1 770 619</b>	<b>1 541 375</b>
Deviations from Supply Chain Management Regulations can be allocated as follow:		
Office of the Municipal Manager	-	-
Support Services (Finance and Corporate)	227 434	213 924
Corporate and Strategic Services	-	337 467
Community Services	19 780	-
Technical Services	1 523 405	989 984
<b>Total</b>	<b>1 770 619</b>	<b>1 541 375</b>
All the deviations were ratified by the Municipal Manager and reported to Council.		
<b>48.8 Other Non-Compliance [MFMA 125(2)(e)]</b>		
<b>(a) Payments not made within 30 days</b>		
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.		
<b>49 CAPITAL COMMITMENTS</b>		
Approved and contracted for		
Infrastructure	17 374 422	36 415 152
Community Assets	347 543	1 781 780
<b>Total</b>	<b>17 721 965</b>	<b>38 196 932</b>
This expenditure will be financed from:		
Government Grants	17 721 965	37 351 765
Own funding	-	845 167
<b>Total</b>	<b>17 721 965</b>	<b>38 196 932</b>
Capital Commitments are disclosed exclusive of Value Added Tax (VAT).		

# CEDERBERG LOCAL MUNICIPALITY

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### 50 FINANCIAL RISK MANAGEMENT

The Municipality is potentially exposed to the following risks:

#### 50.1 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	11 808 914	9 743 661
Receivables from exchange transactions	26 729 374	24 853 639
Receivables from non-exchange transactions	525 306	423 647
Long-term Receivables	-	31 969
<b>Total</b>	<b>39 063 595</b>	<b>35 052 915</b>

#### 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 and 4 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	4 350 429	3 672 450
Water	4 018 292	4 299 722
Refuse	1 148 770	1 315 741
Sewerage	1 675 299	1 588 117
Interest	788 075	767 954
Other	152 931	95 661
Availability Charges	407 866	331 137
<b>Total</b>	<b>12 541 663</b>	<b>12 070 783</b>





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### 50 FINANCIAL RISK MANAGEMENT (CONTINUED)

Past due receivables are aged as follow:

1 to 3 months overdue	5 547 486	4 607 621
4 months to 1 year overdue	3 387 810	4 136 181
1 year overdue	3 606 366	3 326 981
<b>Total</b>	<b>12 541 663</b>	<b>12 070 783</b>

#### 50.2 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.

#### 50.3 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)	11 808 914	9 743 661
Long-term Liabilities (including current portion)	(8 110 773)	(12 481 071)
<b>Net balance exposed</b>	<b>3 698 141</b>	<b>(2 737 410)</b>

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

0.5% (2021 - 0.5%) increase in interest rates	18 491	(13 687)
0.5% (2021 - 0.5%) decrease in interest rates	(18 491)	13 687

#### 50.4 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 can be mitigated by approving cash funded budgets to ensure commitments can be settled once due over the long term. The Municipality has been experiencing cash flow constraints as disclosed in note 60, and therefore has not been in a position to submit a cash funded budget for the current or previous financial year.

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
<b>30 JUNE 2022</b>				
Annuity Loans	3 943 090	4 481 974	-	8 425 064
Finance Lease Liabilities	540 287	562 500	-	1 102 787
Payables from exchange transactions	105 913 801	-	-	105 913 801
<b>Total</b>	<b>110 397 178</b>	<b>5 044 474</b>	<b>-</b>	<b>115 441 652</b>
<b>30 JUNE 2021</b>				
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	92 040 701	-	-	92 040 701
<b>Total</b>	<b>98 503 683</b>	<b>8 590 351</b>	<b>-</b>	<b>107 094 034</b>

#### 50.5 Other price risk (Market Risk)

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Municipality is not exposed to any other price risk.



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<b>51 FINANCIAL INSTRUMENTS</b>		
The Municipality recognised the following financial instruments at amortised cost:		
<u>Financial Assets</u>		
Cash and Cash Equivalents	11 808 914	9 743 661
Bank Accounts	3 252 125	5 311 494
Call Investment Deposits	8 556 790	4 432 167
Receivables from Exchange Transactions	26 729 374	24 853 639
Electricity	14 989 567	13 234 158
Water	6 955 233	6 786 670
Refuse	1 852 964	1 840 901
Sewerage	2 315 402	2 047 677
Interest	405 691	812 889
Other	210 517	131 343
Receivables from Non-Exchange Transactions	525 306	423 647
Availability Charges	525 306	423 647
Long-term Receivables	-	31 969
Receivables with repayment arrangements	-	31 969
<b>Total</b>	<b>39 063 595</b>	<b>35 052 915</b>
<u>Financial Liabilities</u>		
Payables from exchange Transactions	105 913 801	92 040 701
Trade Payables	99 117 333	79 919 733
Retentions	2 827 032	4 754 598
Sundry Creditors	1 566 257	2 060 035
Sundry Deposits	97 254	403 754
Accrued Interest	93 110	145 628
Unknown Receipts	85 041	57 816
Sale of Land Deposits	1 291 452	3 622 496
Department of Human Settlements	836 322	1 076 642
Long-Term Liabilities	8 110 773	12 481 071
Annuity Loans	7 138 925	10 089 070
Finance Lease Liabilities	971 848	2 392 001
<b>Total</b>	<b>114 024 574</b>	<b>104 521 772</b>
<b>52 STATUTORY RECEIVABLES</b>		
In accordance with the principles of GRAP 108, Statutory Receivables of the Municipality are classified as follows:		
Receivables from Non-Exchange Transactions	11 805 935	8 069 841
Rates	11 572 635	7 088 091
Fines	233 300	981 750
<b>Total</b>	<b>11 805 935</b>	<b>8 069 841</b>
The amounts above are disclosed after any provision for impairment has been taken into account. Refer to note 4 for determining the recoverability of property rates and traffic fines.		
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 23 for traffic fines issued for the year. No interest is levied on outstanding traffic fines.		
Property Rates		
- Past due at the reporting date, and which have been impaired	23 403 293	26 444 975
- Past due that have not been impaired	5 641 768	4 609 315



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# CEDERBERG LOCAL MUNICIPALITY

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### 53 PRINCIPAL-AGENT ARRANGEMENTS

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

#### 53.1 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	97 721	600 319
Revenue collected from third parties	18 120 454	17 235 960
Commission earned on collections included in note 28	(2 605 045)	(2 688 096)
VAT on commission earned payable to the South African Revenue Services	(390 757)	(403 214)
Collections paid over to the Department	(14 630 499)	(14 647 247)
	<u>591 875</u>	<u>97 721</u>

#### 53.2 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	1 076 642
Payments received from the Department	21 488 039	-
Expenditure incurred on behalf of the Department	(21 728 358)	-
	<u>836 322</u>	<u>1 076 642</u>

#### 53.3 Other Arrangements

The Municipality has entered into arrangements with prepaid electricity vendors to provide services to the public on behalf of the Municipality. Various prepaid electricity vendors sell electricity on the Municipality's behalf. The software used results in all transactions being recorded in the Municipality's sub-system. The Municipality collects the cash receipts from the vendors on a daily basis and therefore collects the revenue in full. Prepaid vendors earn commission on the value of each transaction. The nature of these arrangements were assessed and the transactions are not considered to fall within the scope of GRAP 109.

### 54 EVENTS AFTER REPORTING DATE

The following events after reporting date are noted:

- Government Gazette notice 47538 was issued on 18 November 2022, which determines the upper limits of total remuneration packages payable to Municipal Managers and Directors for the 2021/22 financial year. As at reporting date, the Municipality has not yet calculated the financial impact of the said Gazette, but has assessed that it will not be significant.

### 55 IN-KIND DONATIONS AND ASSISTANCE

Property, Plant and Equipment as per note 21 were donated to the Municipality.

### 56 PRIVATE PUBLIC PARTNERSHIPS (PPP's)

The Municipality did not enter into any PPP's in the current and prior year.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

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<b>57 CONTINGENT LIABILITIES</b>		
The Municipality were exposed to the following contingent liabilities at year end:		
<b>57.01 Matter against the Municipality by Jimmy Barnard</b>	50 000	50 000
This matter has been finalised but legal costs still have to be taxed or agreed. The legal costs for which the Municipality may be liable are estimated at R50 000.		
<b>57.02 Matter against the Municipality by Mathilda Smith</b>	15 000	15 000
This applicant is claiming for damages amounting to R15 000. Since 2010, the applicant's attorneys has not taken any action on this matter. However, in 2015 she instructed her attorneys to continue with the matter.		
<b>57.03 Matter against the Municipality by Elandsbaai Handelsmaatskappy</b>	-	15 000
The applicant claims against infringement of property. Case was settled on 2 July 2021 between the parties by means of an exchange of certain portions of property as per the settlement agreement dated 30 July 2021.		
<b>57.04 Matter against the Municipality by MJ Coetzee</b>	250 000	250 000
This matter involves an application by the owners of Erf 234 Graafwater against the Municipality for declaratory relief, alternatively a review regarding the decision taken in respect of an application for consent use. The matter in ongoing , pleadings have closed and the Applicants have to set it down for hearing. The legal costs and disbursements that the Municipality may be liable for in the event that the application is successful, is estimated at R 250 000.		
<b>57.05 Matter against the Municipality – ISW van Zyl Cancellation of Water Agreement</b>	337 094	180 000
The Municipality has received a court ruling by settlement to have its infrastructure removed from ISW van Zyl Trust by 31 May 2022. This was extended to until 30 June 2022. The property owner may enforce the court ruling at any time at which point the Municipality will have no legitimate water source for Lamberts Bay. Legal costs still to be taxed are estimated at approximately R 337 094.		
<b>57.06 Matter against the Municipality – HG Louw Water Agreement</b>	-	40 000
The applicant seeked an order to expel the Municipality from the Wadrif Well Field. This matter was resolved without any further litigation.		
<b>57.07 Matter against the Municipality by Alister Ruiters (on behalf of his minor son, Alito Ruiters)</b>	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. The matter has been set down for 17 May 2023.		
<b>57.08 Matter against the Municipality by Michael Damon (on behalf of his minor son, Marshall Damon)</b>	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. The matter has been set down for 17 May 2023.		
<b>57.09 Matter against the Municipality by Clackson Power Company (Pty) Ltd</b>	3 779 268	-
The applicant is claiming for outstanding payments amounting to R 3 508 017 in total. The claim relates to electricity supplied to the Municipality. The Municipality is opposing the matter. Legal cost are estimated at approximately R 271 251.		



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<b>57 CONTINGENT LIABILITIES (CONTINUED)</b>		
<b>57.10 Matter against the Municipality by Francina Johanna de Klerk</b>	1 000 000	-
The applicant is claiming for damages amounting to R 1 000 000. The damages relates to injuries obtained by the plaintiff where there was a hole underneath the protective cushions surrounding the trampoline. The incident took place at Lamberts Bay caravan park. The matter has been referred to the Municipality's insurer.		
<b>57.11 Remuneration payable to Council</b>	154 924	-
The Government Gazette for the determination of upper limits of the salaries, allowances and benefits of different members of municipal councils was issued on 2 June 2022, which stipulate that the notice takes effect from 1 July 2021. As on 30 June 2022, this notice has not yet been adopted by the Council nor approved by the MEC.		
<b>57.12 Total</b>	<b>7 786 286</b>	<b>2 750 000</b>

## 58 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.

### 58.1 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.

### 58.2 Compensation of management personnel

Remuneration of management personnel are disclosed in notes 30 and 31.

### 58.3 Current Employee Benefits

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

DJ Adonis	- Municipal Manager	35 737	-
HG Slimmert	- Director: Community Services	97 247	28 155
M Memani	- Director: Finance	-	17 031
R Kearns	- Director: Technical Services	-	15 764
AB Allison	- Director: Technical Services	60 233	-
<b>Total</b>		<b>193 217</b>	<b>60 950</b>

### 58.4 Other related party transactions

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

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

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### 59 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	Service of the state related party relationship	Amount	Amount
P J Sobekwa	Brother of J Sobekwa (Cederberg Municipality)	8 300	-
HM Henderson	Sister of C Ockhuis (Cederberg Municipality)	8 500	3 240
Nelodia Transport	Spouse of WK Nel (SAPS)	2 000	-
M Mercuur	Spouse of N Mercuur (Cederberg Municipality)	-	1 910
NSRI		663 504	-
- C Robertson	Spouse of S Robertson (Department of Health)		
Akhile Management & Consulting		987 977	-
- B Hadebe	Spouse of M Hadebe (Ekurhuleni Municipality)		
Ekuseni Enterprises		1 180 105	-
- S Jacobs	Son of W Jacobs (Department of Health)		
- A Daniels	Daughter of M Human (Department of Water & Sanitation)		
- A van Wyk	Spouse of L van Wyk (Department of Health)		
- A van Wyk	Son of R van Wyk (Department of Health)		
JPCE		153 870	-
- J Minnie	Spouse of J Minnie (City of Cape Town)		
<b>Total</b>		<b>3 004 256</b>	<b>5 150</b>

### 60 FINANCIAL SUSTAINABILITY

The indicators or conditions that may, individually or collectively, cast significant doubt about the going concern assumption are as follows:

#### Financial Indicators

The following financial indicators were assessed:

Cash available for working capital requirements (positive balance)	3 946 252	4 942 172
Current Ratio (norm - at least 2:1)	0.47 : 1	0.44 : 1
Cash coverage ratio (norm - 3 months or more)	0.21 months	0 months
Creditors days (norm - 30 days or less)	162 days	160 days
Debtors collection rate (95% or more)	90.09%	89.12%
Operating surplus / (deficit)	(39 250 848)	(22 536 746)

When analysing the results of the ratio's it can be concluded that the Municipality managed to maintain its financial position from the prior year. The Municipality still finds itself in a strained cash flow position. 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.

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.

#### Other Indicators

Contingent Liabilities are disclosed in note 57. The total exposure amounts to R7 631 362, 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.



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### 60 FINANCIAL SUSTAINABILITY (CONTINUED)

#### Future Budget

When analysing the 2022/23 MTREF (Medium Term Revenue and Expenditure Framework) budget which was approved by Council in 2021/22, the projected financial indicators are as follow:

	2022/23	2023/24	2024/25
Cash available for working capital requirements (positive balance)	3 746 225	4 189 038	3 564 593
Current Ratio (norm - at least 2:1)	0.34:1	0.47:1	0.74:1
Cash coverage ratio (norm - 3 months or more)	0.01 months	0.01 months	0.01 months
Creditors days (norm - 30 days or less)	131 days	101 days	47 days
Debtors collection rate (95% or more)	91.4%	91.4%	91.4%
Operating surplus / (deficit)	(10 431 281)	(1 716 764)	(3 322 695)

Although the above-mentioned ratio's are still below the required norms, there is a 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.

### 61 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.

### 62 COVID-19

The summary below indicates the total Covid-19 response expenditure:

Personal Protective Equipment and Sanitizers	130 772	310 271
Total	<b>130 772</b>	<b>310 271</b>

The Covid-19 response expenditure was funded from the following sources:

Own Revenue	130 772	310 271
Total	<b>130 772</b>	<b>310 271</b>

### 63 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
- Wuppertal

# CEDERBERG LOCAL MUNICIPALITY

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### 64 SEGMENT REPORTING

#### 64.1 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

#### 64.2 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.

#### 64.3 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.

#### 64.4 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 2022

### 64 SEGMENT REPORTING (CONTINUED)

#### 64.5 Specific Segment Reporting

2022

#### REVENUE

**External Revenue from Non-Exchange Transactions**      **108 285 831**      **8 134 914**      **-**      **8 790 567**      **816 000**      **3 075 820**      **19 024 969**      **25 728 660**      **9 386 178**      **4 398 773**      **187 641 711**

Property Rates	52 403 952	-	-	-	-	-	-	-	-	-	-	52 403 952
Government Grants and Subsidies - Operating	55 203 040	5 754 875	-	-	816 000	376 807	2 101 275	4 199 202	4 304 096	1 549 723	-	74 305 017
Government Grants and Subsidies - Capital	-	2 158 479	-	-	-	2 699 013	14 963 040	21 016 048	4 795 245	-	-	45 631 826
Contributed Assets	-	-	-	474 667	-	-	-	-	-	2 849 049	-	3 323 716
Availability Charges	-	-	-	-	-	-	1 935 632	506 682	286 837	-	-	2 729 152
Insurance Refund	33 754	-	-	-	-	-	-	-	-	-	-	33 754
Fines, penalties and forfeits	612 135	221 560	-	8 315 900	-	-	25 022	6 727	-	-	-	9 181 345
Actuarial Gains	32 949	-	-	-	-	-	-	-	-	-	-	32 949

**External Revenue from Exchange Transactions**      **7 342 751**      **202 067**      **2 525 749**      **3 676 474**      **1 868 435**      **-**      **114 365 973**      **30 721 602**      **11 717 195**      **12 780 183**      **185 200 429**

Service Charges	-	-	-	-	-	-	114 365 973	30 721 602	11 717 195	12 779 368	-	169 584 139
Rental of Facilities and Equipment	628 392	200 922	2 524 056	-	-	-	-	-	-	-	-	3 353 370
Interest Earned - external investments	749 712	-	-	-	-	-	-	-	-	-	-	749 712
Interest Earned - outstanding debtors	4 288 314	-	-	-	-	-	-	-	-	-	-	4 288 314
Agency Services	-	-	-	3 671 714	-	-	-	-	-	-	-	3 671 714
Other Income	1 032 827	1 144	1 693	4 760	1 868 435	-	-	-	-	815	-	2 909 674
Gain on disposal of Non-Monetary Assets	643 507	-	-	-	-	-	-	-	-	-	-	643 507

**TOTAL REVENUE**      **115 628 581**      **8 336 981**      **2 525 749**      **12 467 041**      **2 684 435**      **3 075 820**      **133 390 942**      **56 450 262**      **21 103 373**      **17 178 955**      **372 842 140**

#### EXPENDITURE

Employee Related Costs	51 784 985	15 549 882	4 517 921	11 971 162	6 575 722	6 397 478	7 293 748	12 821 161	4 824 558	11 290 954	-	133 027 571
Remuneration of Councillors	5 000 104	-	-	-	-	-	-	-	-	-	-	5 000 104
Debt Impairment	2 719 634	-	-	7 976 024	-	-	3 359 444	7 580 862	2 785 113	2 356 045	-	26 777 123
Depreciation and Amortisation	1 828 997	671 336	159 324	113 871	36 946	5 804 239	4 108 020	5 069 737	5 713 124	1 841 669	-	25 347 263
Impairment	-	-	-	-	-	-	-	1 384 931	-	118 214	-	1 503 145
Finance Charges	12 206 355	-	-	-	-	-	-	-	-	-	-	12 206 355
Bulk Purchases	-	-	-	-	-	-	93 891 074	802 586	-	-	-	94 693 660
Contracted Services	21 927 118	427 337	25 875	2 400 817	116 294	325 026	2 880 171	1 065 408	1 813 225	1 989 683	-	32 970 953
Transfers and Grants	193 742	-	-	-	50 000	-	-	-	-	-	-	243 742
Other Expenditure	16 536 395	1 000 226	282 170	879 812	152 033	1 325 542	1 688 853	3 865 687	3 124 105	1 647 697	-	30 502 519
Actuarial Losses	865 012	-	-	-	-	-	-	-	-	-	-	865 012

**Total Expenditure**      **113 062 341**      **17 648 781**      **4 985 290**      **23 341 686**      **6 930 995**      **13 852 283**      **113 221 309**      **32 590 373**      **18 260 125**      **19 244 263**      **363 137 447**

**NET SURPLUS/(DEFICIT) FOR THE YEAR**      **2 566 240**      **(9 311 800)**      **(2 459 541)**      **(10 874 645)**      **(4 246 560)**      **(10 776 463)**      **20 169 634**      **23 859 889**      **2 843 248**      **(2 065 308)**      **9 704 693**

Less: Government Grants and Subsidies - Capital      -      (2 158 479)      -      -      -      -      (2 699 013)      (14 963 040)      (21 016 048)      (4 795 245)      -      (45 631 826)

Less: Other Income - Capital      -      -      -      -      (113 033)      -      -      -      -      -      -      (113 033)

Less: Contributed Assets      -      -      -      (474 667)      -      -      -      -      -      -      (2 849 049)      -      (3 323 716)

**NET OPERATING SURPLUS/(DEFICIT) FOR THE YEAR**      **2 566 240**      **(11 470 279)**      **(2 459 541)**      **(11 349 312)**      **(4 359 593)**      **(13 475 477)**      **5 206 594**      **2 843 841**      **(1 951 997)**      **(4 914 357)**      **(39 363 882)**

**CAPITAL EXPENDITURE FOR THE YEAR**      **396 861**      **3 690 583**      **354 496**      **475 206**      **2 699 013**      **-**      **15 402 040**      **22 410 866**      **4 968 491**      **2 849 049**      **53 246 604**

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

64 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
<b>64.5 Specific Segment Reporting</b>											
<b>2021</b>											
<b>REVENUE</b>											
<b>External Revenue from Non-Exchange Transactions</b>	<b>107 224 951</b>	<b>7 752 492</b>	-	<b>10 230 401</b>	<b>1 242 309</b>	-	<b>18 869 716</b>	<b>9 790 452</b>	<b>26 505 668</b>	<b>535 854</b>	<b>182 151 844</b>
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
Availability Charges	-	-	-	-	-	-	1 737 078	492 607	275 954	-	2 505 639
Insurance Refund	67 793	-	-	-	-	-	-	-	-	-	67 793
Fines, penalties and forfeits	59 345	1 203 361	-	10 230 401	-	-	60 202	-	-	-	11 553 309
<b>External Revenue from Exchange Transactions</b>	<b>7 878 122</b>	<b>31 385</b>	<b>1 631 224</b>	<b>3 730 751</b>	<b>1 803 992</b>	-	<b>100 496 873</b>	<b>28 571 758</b>	<b>9 181 246</b>	<b>10 828 099</b>	<b>164 153 449</b>
Service Charges	-	-	-	-	-	-	100 496 873	28 571 758	9 181 246	10 806 437	149 056 314
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	74 173	-	-	-	-	-	-	-	-	-	74 173
<b>TOTAL REVENUE</b>	<b>115 103 073</b>	<b>7 783 877</b>	<b>1 631 224</b>	<b>13 961 152</b>	<b>3 046 301</b>	-	<b>119 366 590</b>	<b>38 362 210</b>	<b>35 686 913</b>	<b>11 363 954</b>	<b>346 305 292</b>
<b>EXPENDITURE</b>											
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	-	-	8 812 170	-	-	3 735 580	8 876 156	2 122 322	2 155 114	34 767 004
Depreciation and Amortisation	1 802 988	688 861	152 777	73 884	43 004	5 827 179	4 199 819	4 570 607	3 780 429	612 963	21 752 510
Impairment	-	-	-	-	-	-	-	-	-	1 934 832	1 934 832
Finance Charges	11 585 070	-	-	-	-	-	-	-	-	-	11 585 070
Bulk Purchases	-	-	-	-	-	-	81 771 284	757 297	-	-	82 528 580
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	476 556	-	-	-	12 500	-	-	-	-	-	489 056
Other Expenditure	16 021 006	623 661	145 263	1 385 980	146 593	874 773	1 420 699	3 100 938	1 355 921	1 206 950	26 281 784
Actuarial Losses	1 945 998	-	-	-	-	-	-	-	-	-	1 945 998
<b>Total Expenditure</b>	<b>103 458 403</b>	<b>16 787 797</b>	<b>4 798 082</b>	<b>24 660 946</b>	<b>6 547 130</b>	<b>13 038 754</b>	<b>98 130 272</b>	<b>30 146 890</b>	<b>11 786 145</b>	<b>17 250 838</b>	<b>326 605 256</b>
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>11 644 670</b>	<b>(9 003 919)</b>	<b>(3 166 859)</b>	<b>(10 699 795)</b>	<b>(3 500 829)</b>	<b>(13 038 754)</b>	<b>21 236 318</b>	<b>8 215 320</b>	<b>23 900 769</b>	<b>(5 886 884)</b>	<b>19 700 037</b>
Less: Government Grants and Subsidies - Capital	-	(1 195 430)	-	-	(368 937)	-	(14 782 712)	(7 137 382)	(18 752 323)	-	(42 236 784)
Less: Other Income - Capital	-	-	-	-	(188 500)	-	-	-	-	-	(188 500)
<b>NET OPERATING SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>11 644 670</b>	<b>(10 199 349)</b>	<b>(3 166 859)</b>	<b>(10 699 795)</b>	<b>(4 058 267)</b>	<b>(13 038 754)</b>	<b>6 453 606</b>	<b>1 077 938</b>	<b>5 148 446</b>	<b>(5 886 884)</b>	<b>(22 725 247)</b>
<b>CAPITAL EXPENDITURE FOR THE YEAR</b>	<b>245 250</b>	<b>1 597 600</b>	-	<b>5 618</b>	<b>368 937</b>	<b>40 346</b>	<b>14 981 168</b>	<b>7 364 363</b>	<b>19 824 414</b>	<b>23 522</b>	<b>44 451 219</b>

# CEDERBERG LOCAL MUNICIPALITY

## APPENDIX A (UNAUDITED)

### SCHEDULE OF EXTERNAL LOANS FOR THE YEAR ENDING 30 JUNE 2022

INSTITUTION	LOAN NUMBER	RATE	MATURITY DATE	OPENING BALANCE 1 JULY 2021	RECEIVED DURING YEAR	REDEEMED DURING YEAR	CLOSING BALANCE 30 JUNE 2022
<b><u>ANNUITY LOANS</u></b>							
ABSA	038-723-0992	9.84%	1 April 2025	1 556 127	-	(334 315)	1 221 812
ABSA	038-723-0993	10.43%	17 June 2025	2 631 936	-	(559 507)	2 072 429
ABSA	038-723-0994	10.45%	17 Nov 2025	1 166 387	-	(214 032)	952 355
ABSA	038-723-0995	11.33%	30 Jun 2026	1 278 702	-	(201 525)	1 077 177
Standard Bank	03-263-793-4	10.36%	31 Mar 2023	3 455 919	-	(1 640 767)	1 815 152
<b>Total Annuity Loans</b>				<b>10 089 070</b>	<b>-</b>	<b>(2 950 145)</b>	<b>7 138 925</b>
<b><u>FINANCE LEASE LIABILITIES - PRINTERS</u></b>							
Samsung 057400 Pabx System			31 May 2022	1 156 006	-	(1 156 006)	-
Printers and Copiers			31 Dec 2024	-	943 824	(135 182)	808 641
<b>Total Finance Lease Liabilities - Printers</b>				<b>1 156 006</b>	<b>943 824</b>	<b>(1 291 189)</b>	<b>808 641</b>
<b><u>FINANCE LEASE LIABILITIES - VEHICLES</u></b>							
Isuzu Kb 250C Fleetside Regular Cab	00089668811		1 Jul 2022	60 075	-	(55 201)	4 874
Isuzu Kb 250C Fleetside Regular Cab	00089668986		1 Jul 2022	60 075	-	(55 201)	4 874
Isuzu Kb 250C Fleetside Regular Cab	00089669184		1 Jul 2022	60 075	-	(55 201)	4 874
Chevrolet Utility 1.4 + A/C (M18)	00089669583		1 Jul 2022	44 967	-	(41 318)	3 649
Chevrolet Utility 1.4 + A/C (M18)	00089670107		1 Jul 2022	44 967	-	(41 318)	3 649
Isuzu Kb 250C Fleetside Regular Cab	00089670301		1 Jul 2022	60 861	-	(55 922)	4 938
Isuzu Kb 250C Fleetside Regular Cab	00089733109		1 Aug 2022	64 744	-	(54 990)	9 755
Isuzu Kb 250C Fleetside Regular Cab	00089733338		1 Aug 2022	114 259	-	(97 044)	17 215
Isuzu N Series NLR 150	00089733443		1 Aug 2022	123 586	-	(104 966)	18 620
Isuzu Kb 250C Fleetside Regular Cab	00089733478		1 Aug 2022	64 744	-	(54 990)	9 755
Isuzu N Series NLR 150	00089733656		1 Aug 2022	123 586	-	(104 966)	18 620
Isuzu N Series NLR 150	00089733664		1 Aug 2022	123 586	-	(104 966)	18 620
Isuzu N Series NLR 150	00089733915		1 Aug 2022	123 586	-	(104 966)	18 620
Isuzu Kb 250C Fleetside Regular Cab	00089734008		1 Aug 2022	64 744	-	(54 990)	9 755
Toyota Etios Sedan 1.5SD Sprint	00089760637		1 Aug 2022	51 068	-	(43 374)	7 694
Toyota Etios Sedan 1.5SD Sprint	00089760769		1 Aug 2022	51 068	-	(43 374)	7 694
<b>Total Finance Lease Liabilities - Vehicles</b>				<b>1 235 995</b>	<b>-</b>	<b>(1 072 788)</b>	<b>163 207</b>
<b>Total Long-Term Liabilities</b>				<b>12 481 071</b>	<b>943 824</b>	<b>(5 314 122)</b>	<b>8 110 773</b>



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# CEDERBERG LOCAL MUNICIPALITY

## APPENDIX B (UNAUDITED)

### DISCLOSURE OF GRANTS AND SUBSIDIES FOR THE YEAR ENDING 30 JUNE 2022

	OPENING BALANCE	GRANTS RECEIVED	GRANTS REPAID	TRANSFERRED TO REVENUE (OPERATING)	TRANSFERRED TO REVENUE (CAPITAL)	TRANSFER TO / (FROM) RECEIVABLES	CLOSING BALANCE
	R	R	R	R	R	R	R
<b>NATIONAL GOVERNMENT</b>							
Equitable Share	-	55 044 000	-	(55 044 000)	-	-	-
Municipal Infrastructure Grant (MIG)	-	16 320 000	-	(2 481 051)	(10 153 125)	-	3 685 824
Financial Management Grant (FMG)	-	2 023 000	-	(2 023 000)	-	-	-
Integrated National Electrification Programme (INEP)	-	17 000 000	-	(2 036 960)	(14 963 040)	-	-
Expanded Public Works Program (EPWP)	-	1 755 000	-	(1 755 000)	-	-	-
Water Service Infrastructure Grant (WSIG)	149 281	4 600 000	(149 281)	(376 688)	(2 715 968)	-	1 507 344
Municipal Disaster Relief Grant (COVID-19)	76 531	-	(76 531)	-	-	-	-
Regional Bulk Infrastructure Grant (RBIG)	-	20 979 282	-	(2 669 954)	(17 799 692)	-	509 637
<b>Total</b>	<b>225 812</b>	<b>117 721 282</b>	<b>(225 812)</b>	<b>(66 386 652)</b>	<b>(45 631 826)</b>	<b>-</b>	<b>5 702 805</b>
<b>PROVINCIAL GOVERNMENT</b>							
Library Services MRF	4 568	5 302 000	(4 568)	(5 302 000)	-	-	-
CDW Support	169 000	151 000	(169 000)	(71 883)	-	-	79 117
Municipal Drought Support Grant	105 486	-	(105 486)	-	-	-	-
Local Government Graduate Internship Grant	39 170	-	-	(39 170)	-	-	-
Financial Management Support Grant	301 050	958 327	-	(1 259 377)	-	-	-
Municipal Capacity Building Grant	214 617	650 000	(469 642)	(95 797)	-	-	299 178
Thusong Service Centre Grant	22 258	150 000	(22 258)	(138 144)	-	-	11 856
Public Employment Support Grant	-	1 100 000	-	(1 010 061)	-	-	89 939
Municipal Library Support Grant	-	205 000	-	(1 934)	-	-	203 066
<b>Total</b>	<b>856 149</b>	<b>8 516 327</b>	<b>(770 954)</b>	<b>(7 918 365)</b>	<b>-</b>	<b>-</b>	<b>683 156</b>
<b>ALL SPHERES OF GOVERNMENT</b>	<b>1 081 961</b>	<b>126 237 610</b>	<b>(996 766)</b>	<b>(74 305 017)</b>	<b>(45 631 826)</b>	<b>-</b>	<b>6 385 961</b>

# CEDERBERG LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

	ORIGINAL BUDGET 2022 R	BUDGET ADJUSTMENTS 2022 R	FINAL BUDGET 2022 R	ACTUAL OUTCOME 2022 R	BUDGET VARIANCE 2022 R	RESTATED OUTCOME 2021 R
<b>FINANCIAL PERFORMANCE</b>						
Property rates	51 274 481	(1 934 031)	49 340 450	52 403 952	3 063 502	48 155 157
Service charges	169 263 077	3 819 923	173 083 000	172 313 291	(769 709)	151 561 953
Investment revenue	486 482	100 000	586 482	749 712	163 230	748 598
Transfers and subsidies - operational	89 873 043	9 993 413	99 866 456	96 033 376	(3 833 080)	77 633 162
Other own revenue	35 193 810	(8 783 043)	26 410 767	24 001 593	(2 409 174)	25 781 139
<b>Total Operating Revenue (excluding capital transfers)</b>	<b>346 090 893</b>	<b>3 196 262</b>	<b>349 287 155</b>	<b>345 501 924</b>	<b>(3 785 231)</b>	<b>303 880 009</b>
Employee costs	125 299 810	9 740 873	135 040 683	132 380 151	(2 660 532)	123 802 930
Remuneration of councillors	5 591 000	(417 790)	5 173 210	5 000 104	(173 106)	5 571 991
Debt impairment	29 577 000	2 369 000	31 946 000	26 777 123	(5 168 877)	34 767 004
Depreciation and asset impairment	21 246 200	5 710 800	26 957 000	26 850 408	(106 592)	23 687 342
Finance charges	10 917 371	841 198	11 758 569	12 206 355	447 786	11 585 070
Bulk purchases	100 857 000	(6 305 000)	94 552 000	93 891 074	(660 926)	82 528 580
Inventory Consumed	7 188 305	1 807 620	8 995 925	8 332 131	(663 794)	6 744 590
Contracted Services	40 414 465	21 050 998	61 465 463	54 699 312	(6 766 151)	17 281 696
Transfers and grants	883 826	(268 525)	615 301	243 742	(371 559)	489 056
Other expenditure	21 761 155	4 948 124	26 709 279	23 620 394	(3 088 885)	20 146 999
Losses	-	2 000 000	2 000 000	865 012	(1 134 988)	-
<b>Total Expenditure</b>	<b>363 736 132</b>	<b>41 477 298</b>	<b>405 213 430</b>	<b>384 865 806</b>	<b>(20 347 624)</b>	<b>326 605 256</b>
<b>Surplus/(Deficit)</b>	<b>(17 645 239)</b>	<b>(38 281 036)</b>	<b>(55 926 275)</b>	<b>(39 363 882)</b>	<b>16 562 393</b>	<b>(22 725 247)</b>
Transfers and subsidies - capital (monetary) - Government	32 291 956	26 249 783	58 541 739	45 631 826	(12 909 913)	42 236 784
Transfers and subsidies - capital (monetary) - Other	200 340	(11 840)	188 500	113 033	(75 467)	188 500
Transfers and subsidies - capital (in-kind)	-	2 849 050	2 849 050	3 323 716	474 666	-
<b>Surplus/(Deficit) for the year</b>	<b>14 847 057</b>	<b>(9 194 043)</b>	<b>5 653 014</b>	<b>9 704 693</b>	<b>4 051 679</b>	<b>19 700 037</b>
<b>CAPITAL EXPENDITURE &amp; FUNDS SOURCES</b>						
<b>Capital expenditure</b>	<b>51 261 562</b>	<b>26 396 347</b>	<b>77 657 909</b>	<b>53 246 604</b>	<b>(24 411 305)</b>	<b>44 451 219</b>
Transfers recognised - capital	32 291 957	26 249 782	58 541 739	45 631 826	(12 909 913)	42 236 784
Borrowing	15 634 365	(4 834 365)	10 800 000	150 382	(10 649 618)	-
Internally generated funds	3 335 240	4 980 930	8 316 170	7 464 396	(851 774)	2 214 435
<b>Total sources of capital funds</b>	<b>51 261 562</b>	<b>26 396 347</b>	<b>77 657 909</b>	<b>53 246 604</b>	<b>(24 411 305)</b>	<b>44 451 219</b>
<b>CASH FLOWS</b>						
<i>KA 14 December 2022</i>						
Net cash from (used) operating	42 611 056	16 681 775	59 292 831	52 035 939	(7 256 892)	47 581 189
Net cash from (used) investing	(51 061 222)	(23 527 169)	(74 588 391)	(44 877 935)	29 710 455	(50 008 484)
Net cash from (used) financing	10 508 285	(4 677 601)	5 830 683	(5 092 751)	(10 923 434)	(4 507 708)
Net Cash Movement for the year	2 058 118	(11 522 994)	(9 464 876)	2 065 253	11 530 129	(6 935 003)
Cash/cash equivalents at beginning of year	689 757	9 060 130	9 749 887	9 749 887	-	16 684 890
<b>Cash/cash equivalents at the year end</b>	<b>2 747 875</b>	<b>(2 462 864)</b>	<b>285 011</b>	<b>11 815 140</b>	<b>11 530 129</b>	<b>9 749 887</b>

# CEDERBERG LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

	ORIGINAL BUDGET 2022 R	BUDGET ADJUSTMENTS 2022 R	FINAL BUDGET 2022 R	ACTUAL OUTCOME 2022 R	BUDGET VARIANCE 2022 R	RESTATED OUTCOME 2021 R
<b>REVENUE (STANDARD CLASSIFICATION)</b>						
<b>Governance and administration</b>						
Executive and council	9 527 462	-	9 527 462	49 958 813	40 431 351	54 220 493
Finance and administration	69 034 254	(3 069 074)	65 965 180	65 669 768	(295 412)	60 882 579
Internal audit	-	-	-	-	-	-
<b>Community and public safety</b>						
Community and social services	5 489 522	250 998	5 740 520	5 537 174	(203 346)	5 214 498
Sport and recreation	1 817 314	1 779 928	3 597 242	3 856 389	259 147	4 209 120
Public safety	14 693 443	(7 027 443)	7 666 000	8 793 217	1 127 217	10 232 706
Housing	21 257 411	6 510 001	27 767 412	23 199 635	(4 567 777)	-
<b>Economic and environmental services</b>						
Planning and development	2 592 806	181 268	2 774 074	2 684 435	(89 639)	3 046 301
Road transport	8 638 377	864 640	9 503 017	6 747 534	(2 755 483)	3 719 929
<b>Trading services</b>						
Energy sources	143 366 699	1 077 982	144 444 681	133 390 942	(11 053 739)	119 366 590
Water management	51 691 987	26 403 746	78 095 733	56 450 262	(21 645 471)	38 362 210
Waste water management	29 441 564	488 566	29 930 130	21 103 373	(8 826 757)	35 686 913
Waste management	21 032 350	4 822 643	25 854 993	17 178 955	(8 676 038)	11 363 954
<b>Total Revenue - Standard</b>	<b>378 583 189</b>	<b>32 283 255</b>	<b>410 866 444</b>	<b>394 570 498</b>	<b>(16 295 946)</b>	<b>346 305 292</b>
<b>EXPENDITURE (STANDARD CLASSIFICATION)</b>						
<b>Governance and administration</b>						
Executive and council	13 932 954	(494 061)	13 438 893	12 693 338	(745 555)	13 518 874
Finance and administration	88 267 973	20 732 481	109 000 454	97 713 508	(11 286 946)	87 841 354
Internal audit	1 148 030	(98 244)	1 049 786	1 025 193	(24 593)	1 095 173
<b>Community and public safety</b>						
Community and social services	10 531 591	624 513	11 156 104	9 482 861	(1 673 243)	9 323 724
Sport and recreation	12 956 516	731 856	13 688 372	13 141 315	(547 057)	12 931 119
Public safety	21 192 300	(3 419 777)	17 772 523	18 742 966	970 443	19 750 145
Housing	22 473 358	3 426 310	25 899 668	24 570 422	(1 329 246)	2 570 549
<b>Economic and environmental services</b>						
Planning and development	8 814 815	332 575	9 147 390	8 561 298	(586 092)	7 550 132
Road transport	12 938 483	2 519 987	15 458 470	14 341 510	(1 116 960)	13 395 421
<b>Trading services</b>						
Energy sources	115 951 240	(1 368 604)	114 582 636	113 221 309	(1 361 327)	98 130 272
Water management	26 432 820	7 077 056	33 509 876	32 590 373	(919 503)	30 146 890
Waste water management	13 504 298	7 481 466	20 985 764	19 537 449	(1 448 315)	13 100 766
Waste management	15 591 754	3 931 740	19 523 494	19 244 263	(279 231)	17 250 838
<b>Total Expenditure - Standard</b>	<b>363 736 132</b>	<b>41 477 298</b>	<b>405 213 430</b>	<b>384 865 806</b>	<b>(20 347 624)</b>	<b>326 605 256</b>
<b>Surplus/(Deficit) for the year</b>	<b>14 847 057</b>	<b>(9 194 043)</b>	<b>5 653 014</b>	<b>9 704 693</b>	<b>4 051 679</b>	<b>19 700 037</b>



KA 14 December 2022

# CEDERBERG LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

	ORIGINAL BUDGET 2022 R	BUDGET ADJUSTMENTS 2022 R	FINAL BUDGET 2022 R	ACTUAL OUTCOME 2022 R	BUDGET VARIANCE 2022 R	RESTATED OUTCOME 2021 R
<b>REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)</b>						
<b>REVENUE</b>						
Vote 1 - Executive and Council	9 527 462	-	9 527 462	49 958 813	40 431 351	54 220 493
Vote 2 - Office of Municipal Manager	-	39 170	39 170	39 170	-	40 830
Vote 3 - Financial Administrative Services	60 152 265	53 079	60 205 344	62 635 648	2 430 304	57 356 165
Vote 4 - Community Development Services	7 659 813	658 869	8 318 682	7 982 662	(336 020)	8 328 879
Vote 5 - Corporate and Strategic Services	6 702 522	(3 563 618)	3 138 904	547 351	(2 591 553)	362 686
Vote 6 - Planning and Development Services	2 592 806	181 268	2 774 074	2 684 435	(89 639)	3 046 301
Vote 7 - Public Safety	18 656 819	(7 068 379)	11 588 440	12 467 041	878 601	13 961 152
Vote 8 - Electricity	143 366 699	1 077 982	144 444 681	133 390 942	(11 053 739)	119 366 590
Vote 9 - Waste Management	21 032 350	4 822 643	25 854 993	17 178 955	(8 676 038)	11 363 954
Vote 10 - Waste Water Management	29 441 564	488 566	29 930 130	21 103 373	(8 826 757)	35 686 913
Vote 11 - Water	51 691 987	26 403 746	78 095 733	56 450 262	(21 645 471)	38 362 210
Vote 12 - Housing	21 257 411	6 510 001	27 767 412	23 199 635	(4 567 777)	-
Vote 13 - Road Transport	4 684 177	900 000	5 584 177	3 075 820	(2 508 357)	-
Vote 14 - Sports and Recreation	1 817 314	1 779 928	3 597 242	3 856 389	259 147	4 209 120
<b>Total Revenue by Vote</b>	<b>378 583 189</b>	<b>32 283 255</b>	<b>410 866 444</b>	<b>394 570 498</b>	<b>(16 295 946)</b>	<b>346 305 292</b>
<b>EXPENDITURE</b>						
Vote 1 - Executive and Council	9 234 669	(1 204 706)	8 029 963	7 666 797	(363 166)	8 530 372
Vote 2 - Office of Municipal Manager	12 722 275	1 970 875	14 693 150	13 736 681	(956 469)	11 210 071
Vote 3 - Financial Administrative Services	53 199 345	15 203 460	68 402 805	59 568 964	(8 833 841)	56 574 969
Vote 4 - Community Development Services	14 339 485	144 590	14 484 075	13 385 331	(1 098 744)	14 079 792
Vote 5 - Corporate and Strategic Services	21 184 944	2 493 422	23 678 366	22 665 166	(1 013 200)	18 069 357
Vote 6 - Planning and Development Services	8 494 603	1 640 410	10 135 013	9 621 089	(513 924)	7 625 183
Vote 7 - Public Safety	26 550 342	(2 580 424)	23 969 918	23 341 686	(628 232)	24 660 946
Vote 8 - Electricity	115 951 240	(1 368 604)	114 582 636	113 221 309	(1 361 327)	98 130 272
Vote 9 - Waste Management	15 591 754	3 931 740	19 523 494	19 244 263	(279 231)	17 250 838
Vote 10 - Waste Water Management	11 686 898	7 859 800	19 546 698	18 260 125	(1 286 573)	11 786 145
Vote 11 - Water	26 432 820	7 077 056	33 509 876	32 590 373	(919 503)	30 146 890
Vote 12 - Housing	22 473 358	3 426 310	25 899 668	24 570 422	(1 329 246)	2 570 549
Vote 13 - Road Transport	12 917 883	2 151 513	15 069 396	13 852 283	(1 217 113)	13 038 754
Vote 14 - Sports and Recreation	12 956 516	731 856	13 688 372	13 141 315	(547 057)	12 931 119
<b>Total Expenditure by Vote</b>	<b>363 736 132</b>	<b>41 477 298</b>	<b>405 213 430</b>	<b>384 865 806</b>	<b>(20 347 624)</b>	<b>326 605 256</b>
<b>Surplus/(Deficit) for the year</b>	<b>14 847 057</b>	<b>(9 194 043)</b>	<b>5 653 014</b>	<b>9 704 693</b>	<b>4 051 679</b>	<b>19 700 037</b>

# CEDERBERG LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

	ORIGINAL BUDGET 2022 R	BUDGET ADJUSTMENTS 2022 R	FINAL BUDGET 2022 R	ACTUAL OUTCOME 2022 R	BUDGET VARIANCE 2022 R	RESTATED OUTCOME 2021 R
<b>REVENUE AND EXPENDITURE</b>						
<b>REVENUE BY SOURCE</b>						
Property rates	51 274 481	(1 934 031)	49 340 450	52 403 952	3 063 502	48 155 157
Service charges - electricity revenue	116 428 232	1 119 768	117 548 000	116 301 605	(1 246 395)	102 233 952
Service charges - water revenue	31 027 254	(188 254)	30 839 000	31 228 285	389 285	29 064 365
Service charges - sanitation revenue	10 030 434	1 988 566	12 019 000	12 004 032	(14 968)	9 457 200
Service charges - refuse revenue	11 777 157	899 843	12 677 000	12 779 368	102 368	10 806 437
Rental of facilities and equipment	364 283	568 663	932 946	829 314	(103 632)	704 637
Interest earned - external investments	486 482	100 000	586 482	749 712	163 230	748 598
Interest earned - outstanding debtors	6 041 331	(1 367 331)	4 674 000	4 288 314	(385 686)	5 732 914
Fines, penalties and forfeits	14 771 585	(7 070 711)	7 700 874	9 181 345	1 480 471	11 553 309
Licences and permits	2 544	456	3 000	2 650	(350)	2 304
Agency services	3 954 200	(35 360)	3 918 840	3 671 714	(247 126)	3 719 929
Transfers and subsidies - Operating	89 873 043	9 993 413	99 866 456	96 033 376	(3 833 080)	77 633 162
Other revenue	10 059 867	(2 878 760)	7 181 107	5 351 801	(1 829 306)	3 993 873
Gains	-	2 000 000	2 000 000	676 456	(1 323 544)	74 173
<b>Total Revenue (excl capital transfers)</b>	<b>346 090 893</b>	<b>3 196 262</b>	<b>349 287 155</b>	<b>345 501 924</b>	<b>(3 785 231)</b>	<b>303 880 009</b>
<b>EXPENDITURE BY TYPE</b>						
Employee related costs	125 299 810	9 740 873	135 040 683	132 380 151	(2 660 532)	123 802 930
Remuneration of councillors	5 591 000	(417 790)	5 173 210	5 000 104	(173 106)	5 571 991
Debt impairment	29 577 000	2 369 000	31 946 000	26 777 123	(5 168 877)	34 767 004
Depreciation and asset impairment	21 246 200	5 710 800	26 957 000	26 850 408	(106 592)	23 687 342
Finance charges	10 917 371	841 198	11 758 569	12 206 355	447 786	11 585 070
Bulk purchases	100 857 000	(6 305 000)	94 552 000	93 891 074	(660 926)	82 528 580
Inventory Consumed	7 188 305	1 807 620	8 995 925	8 332 131	(663 794)	6 744 590
Contracted Services	40 414 465	21 050 998	61 465 463	54 699 312	(6 766 151)	17 281 696
Transfers and grants	883 826	(268 525)	615 301	243 742	(371 559)	489 056
Other expenditure	21 761 155	4 948 124	26 709 279	23 620 394	(3 088 885)	20 146 999
Losses	-	2 000 000	2 000 000	865 012	(1 134 988)	-
<b>Total Expenditure</b>	<b>363 736 132</b>	<b>41 477 298</b>	<b>405 213 430</b>	<b>384 865 806</b>	<b>(20 347 624)</b>	<b>326 605 256</b>
<b>Surplus/(Deficit)</b>	<b>(17 645 239)</b>	<b>(38 281 036)</b>	<b>(55 926 275)</b>	<b>(39 363 882)</b>	<b>16 562 393</b>	<b>(22 725 247)</b>
Transfers and subsidies - capital (monetary) - Government	32 291 956	26 249 783	58 541 739	45 631 826	(12 909 913)	42 236 784
Transfers and subsidies - capital (monetary) - Other	200 340	(11 840)	188 500	113 033	(75 467)	188 500
Transfers and subsidies - capital (in-kind)	-	2 849 050	2 849 050	3 323 716	474 666	-
<b>Surplus/(Deficit) for the year</b>	<b>14 847 057</b>	<b>(9 194 043)</b>	<b>5 653 014</b>	<b>9 704 693</b>	<b>4 051 679</b>	<b>19 700 037</b>



# CEDERBERG LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

	ORIGINAL BUDGET 2022 R	BUDGET ADJUSTMENTS 2022 R	FINAL BUDGET 2022 R	ACTUAL OUTCOME 2022 R	BUDGET VARIANCE 2022 R	RESTATED OUTCOME 2021 R
<b>CAPITAL EXPENDITURE</b>						
<b>CAPITAL EXPENDITURE (MUNICIPAL VOTE)</b>						
<b>Multi-year expenditure</b>						
Vote 6 - Planning and Development Services	4 073 197	434 783	4 507 980	2 699 013	(1 808 967)	351 021
Vote 8 - Electricity	63 900	(4 100)	59 800	47 311	(12 489)	120 498
Vote 10 - Waste Water Management	7 306 934	(1 304 348)	6 002 586	4 795 245	(1 207 341)	11 619 158
Vote 11 - Water	-	23 117 391	23 117 391	17 799 692	(5 317 699)	-
Vote 12 - Housing	-	3 000 000	3 000 000	-	(3 000 000)	-
Vote 14 - Sports and Recreation	150 000	865 565	1 015 565	869 565	(146 000)	1 195 430
<b>Total Multi-year expenditure</b>	<b>11 594 031</b>	<b>26 109 291</b>	<b>37 703 322</b>	<b>26 210 826</b>	<b>(11 492 496)</b>	<b>13 286 106</b>
<b>Single-year expenditure</b>						
Vote 1 - Executive and Council	-	-	-	-	-	-
Vote 2 - Office of Municipal Manager	-	-	-	-	-	-
Vote 3 - Financial Administrative Services	283 340	(270 000)	13 340	1 301	(12 039)	-
Vote 4 - Community Development Services	1 005 000	3 655 000	4 660 000	150 382	(4 509 618)	35 806
Vote 5 - Corporate and Strategic Services	2 020 000	(1 620 000)	400 000	395 559	(4 441)	245 250
Vote 6 - Planning and Development Services	22 609	(22 609)	-	-	-	17 917
Vote 7 - Public Safety	700 000	(209 000)	491 000	475 206	(15 794)	5 618
Vote 8 - Electricity	20 603 374	(2 083 864)	18 519 510	15 354 729	(3 164 781)	14 860 671
Vote 9 - Waste Management	2 000 000	2 849 050	4 849 050	2 849 049	(2 000 001)	23 522
Vote 10 - Waste Water Management	598 000	(393 000)	205 000	173 246	(31 754)	8 205 256
Vote 11 - Water	6 323 424	57 079	6 380 503	4 611 174	(1 769 329)	7 364 363
Vote 12 - Housing	1 528 184	-	1 528 184	1 288 914	(239 270)	-
Vote 13 - Road Transport	4 163 600	(2 863 600)	1 300 000	-	(1 300 000)	40 346
Vote 14 - Sports and Recreation	420 000	1 188 000	1 608 000	1 736 217	128 217	366 364
<b>Total Single-year expenditure</b>	<b>39 667 531</b>	<b>287 056</b>	<b>39 954 587</b>	<b>27 035 778</b>	<b>(12 918 809)</b>	<b>31 165 113</b>
<b>Total Capital Expenditure by Vote</b>	<b>51 261 562</b>	<b>26 396 347</b>	<b>77 657 909</b>	<b>53 246 604</b>	<b>(24 411 305)</b>	<b>44 451 219</b>

# CEDERBERG LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

	ORIGINAL BUDGET 2022 R	BUDGET ADJUSTMENTS 2022 R	FINAL BUDGET 2022 R	ACTUAL OUTCOME 2022 R	BUDGET VARIANCE 2022 R	RESTATED OUTCOME 2021 R
<b>CAPITAL EXPENDITURE (CONTINUED)</b>						
<b>CAPITAL EXPENDITURE (STANDARD CLASSIFICATION)</b>						
<b>Governance and administration</b>						
Executive and council	-	-	-	-	-	-
Finance and administration	2 303 340	(1 890 000)	413 340	396 861	(16 479)	245 250
Internal audit	-	-	-	-	-	-
<b>Community and public safety</b>						
Community and social services	1 005 000	3 655 000	4 660 000	150 382	(4 509 618)	35 806
Sport and recreation	570 000	2 053 565	2 623 565	2 605 782	(17 783)	1 561 794
Public safety	700 000	(209 000)	491 000	475 206	(15 794)	5 618
Housing	1 528 184	3 000 000	4 528 184	1 288 914	(3 239 270)	-
<b>Economic and environmental services</b>						
Planning and development	4 095 806	412 174	4 507 980	2 699 013	(1 808 967)	368 937
Road transport	4 043 600	(2 743 600)	1 300 000	-	(1 300 000)	40 346
<b>Trading services</b>						
Energy sources	20 667 274	(2 087 964)	18 579 310	15 402 040	(3 177 270)	14 981 168
Water management	6 323 424	23 174 470	29 497 894	22 410 866	(7 087 028)	7 364 363
Waste water management	8 024 934	(1 817 348)	6 207 586	4 968 491	(1 239 095)	19 824 414
Waste management	2 000 000	2 849 050	4 849 050	2 849 049	(2 000 001)	23 522
<b>Total Capital Expenditure - Standard</b>	<b>51 261 562</b>	<b>26 396 347</b>	<b>77 657 909</b>	<b>53 246 604</b>	<b>(24 411 305)</b>	<b>44 451 219</b>
<b>FUNDING SOURCES</b>						
National Government	32 286 957	23 094 782	55 381 739	45 631 826	(9 749 913)	42 236 784
Provincial Government	5 000	3 155 000	3 160 000	-	(3 160 000)	-
District Municipality	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>32 291 957</b>	<b>26 249 782</b>	<b>58 541 739</b>	<b>45 631 826</b>	<b>(12 909 913)</b>	<b>42 236 784</b>
Borrowing	15 634 365	(4 834 365)	10 800 000	150 382	(10 649 618)	-
Internally generated funds	3 335 240	4 980 930	8 316 170	7 464 396	(851 774)	2 214 435
<b>Total Capital Funding</b>	<b>51 261 562</b>	<b>26 396 347</b>	<b>77 657 909</b>	<b>53 246 604</b>	<b>(24 411 305)</b>	<b>44 451 219</b>

# CEDERBERG LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

	ORIGINAL BUDGET 2022 R	BUDGET ADJUSTMENTS 2022 R	FINAL BUDGET 2022 R	ACTUAL OUTCOME 2022 R	BUDGET VARIANCE 2022 R	RESTATED OUTCOME 2021 R
<b>CASH FLOWS</b>						
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
<b>Receipts</b>						
Property rates, penalties & collection charges	47 216 637	(347 072)	46 869 565	47 817 985	948 419	45 968 054
Service charges	155 956 060	4 627 428	160 583 488	157 163 958	(3 419 530)	136 266 024
Other revenue	18 073 479	(4 969 712)	13 103 767	14 202 433	1 098 666	12 367 064
Government - operating	89 873 043	9 060 733	98 933 776	101 337 376	2 403 600	51 241 011
Government - capital	32 291 956	26 100 501	58 392 457	45 631 826	(12 760 631)	42 236 784
Interest	3 268 862	(2 420 605)	848 257	709 831	(138 427)	708 122
<b>Payments</b>						
Suppliers and employees	(299 214 785)	(15 424 373)	(314 639 158)	(309 825 430)	4 813 728	(235 294 320)
Finance charges	(3 970 371)	(195 650)	(4 166 021)	(4 758 298)	(592 277)	(5 422 493)
Transfers and grants	(883 826)	250 525	(633 301)	(243 742)	389 559	(489 056)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>42 611 056</b>	<b>16 681 775</b>	<b>59 292 831</b>	<b>52 035 939</b>	<b>(7 256 892)</b>	<b>47 581 189</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<b>Receipts</b>						
Proceeds on disposal of PPE	200 340	(11 840)	188 500	-	(188 500)	350 757
Decrease (increase) in non-current receivables	-	31 969	31 969	31 969	-	(31 969)
<b>Payments</b>						
Capital assets	(51 261 562)	(23 547 297)	(74 808 859)	(44 909 904)	29 898 955	(50 327 272)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(51 061 222)</b>	<b>(23 527 169)</b>	<b>(74 588 391)</b>	<b>(44 877 935)</b>	<b>29 710 455</b>	<b>(50 008 484)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
<b>Receipts</b>						
Borrowing long term/refinancing	15 634 365	(4 834 365)	10 800 000	-	(10 800 000)	-
Increase (decrease) in consumer deposits	53 011	156 764	209 775	221 372	11 597	209 775
<b>Payments</b>						
Repayment of borrowing	(5 179 091)	-	(5 179 091)	(5 314 123)	(135 031)	(4 717 482)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>10 508 285</b>	<b>(4 677 601)</b>	<b>5 830 683</b>	<b>(5 092 751)</b>	<b>(10 923 434)</b>	<b>(4 507 708)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>2 058 118</b>	<b>(11 522 994)</b>	<b>(9 464 876)</b>	<b>2 065 253</b>	<b>11 530 129</b>	<b>(6 935 003)</b>
Cash/cash equivalents at the year begin:	689 757	9 060 130	9 749 887	9 749 887	-	16 684 890
Cash/cash equivalents at the year end:	2 747 875	(2 462 864)	285 011	11 815 140	11 530 129	9 749 887



AUDITOR-GENERAL  
SOUTH AFRICA

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# Annexure B

## Report of the Auditor General

# Report of the auditor-general to Western Cape Provincial Parliament and the council on Cederberg Municipality.

## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of Cederberg Municipality set out on pages 4 to 91, which comprise the statement of financial position as at 30 June 2022, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Cederberg Municipality as at 30 June 2022, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 9 of 2021 (Dora).

### Basis for opinion

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

### Material uncertainty relating to going concern

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.
7. Note 60 to the financial statements indicates a brief description of events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern. As stated in note 60, these events or conditions, along with the other matters as set forth in note 60, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

## **Emphasis of matters**

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

## **Material losses impairments**

1. As disclosed in note 3 to the financial statements, material losses of R27 582 479 (2021: R21 823 091) was incurred as a result of a write-off of irrecoverable receivables from exchange revenue.
2. As disclosed in note 4 to the financial statements, material losses of R19 121 945 (2021: R28 997 999) was incurred as a result of a write-off of irrecoverable receivables from non-exchange revenue.
3. As disclosed in note 10 to the financial statements, material losses of R10 924 655 (2021:R9 539 724) was incurred as a result of an accumulated impairment of the Lamberts Bay Desalination Plant.

## **Underspending of conditional grants**

4. As disclosed in note 20, the municipality materially underspent on the Municipal Infrastructure Grant (MIG), by R3 685 824 (22,58%) and the Water Services Infrastructure Grant (WSIG) by R1 507 344 (32,77%).

## **Significant litigation**

5. With reference to note 57.09 to the financial statements, the municipality is the defendant in a claim relating to outstanding payment of R3 508 017. The claim is relating to electricity supplied to the municipality. The municipality is opposing the claim.

## **Other matters**

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

## **Unaudited disclosure notes**

10. 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**

11. The supplementary information set out on pages 92 to 100 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**

12. 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.
13. 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**

14. 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.
15. 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**

16. 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 objective presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
17. 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.
18. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting

framework, as defined in the general notice, for the following selected objective presented in the municipality’s annual performance report for the year ended 30 June 2022:

Objectives	Pages in the annual performance report
Strategic objective 1: improve and sustain basic service delivery and infrastructure development	10 – 14

19. 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.
20. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:
  - Strategic objective 1: improve and sustain basic service delivery and infrastructure development

### Other matters

21. I draw attention to the matters below.

#### Achievement of planned targets

22. Refer to the annual performance report on pages 10 to 14 for information on the achievement of planned targets for the year and management’s explanations provided for the under/over achievement of targets.

#### Adjustment of material misstatements

23. 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

24. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipality’s compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.



25. The material findings on compliance with specific matters in key legislation are as follows:

### **Expenditure Management**

26. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.
27. Reasonable steps were not taken to prevent irregular expenditure amounting to R26 895 376 as disclosed in note 46.1 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by non-compliance with SCM regulations. Irregular expenditure amounting to R33 598 600 was incurred on not following proper SCM procurement process.
28. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R3 406 368 as disclosed in note 46.3 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. All of the disclosed fruitless and wasteful expenditure was caused by the non-compliance of not making payments when they are due and payable. Fruitless and wasteful expenditure amounting to R3 406 109 was incurred on finance charges by Eskom.

### **Procurement and contract management**

29. Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM Regulation 19(a). Similar non-compliance was also reported in the prior year.

### **Human resource management**

30. Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted, as required by section 67(1)(d) of the MSA.

### **Revenue management**

31. An effective system of internal control for revenue was not in place, as required by section 64(2)(f) of the MFMA.

### **Annual financial statements, performance and annual report**

32. The oversight report adopted by the council on the 2020/21 annual report was not made public, as required by section 129(3) of the MFMA.

### **Other information**

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

34. 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.
35. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objective presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
36. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

### Internal control deficiencies

37. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
38. Management did not ensure that payments to suppliers were made within 30 days of receipt of invoice as required by section 65(2)(e) of the MFMA and agreement with the supplier due to cash flow challenges experienced by municipality. This also resulted in fruitless and wasteful expenditure being incurred.
39. Management did not consider applicable legislative requirements on distributing work within the panel of suppliers set up as part of the municipality's supply chain management process to ensure fairness, transparency and equity during the procurement process which resulted in irregular expenditure.
40. Management did not ensure that there was an appropriate system in place to monitor, measure and evaluate performance of all staff as required by section 67(1)(d) of the MSA.
41. Management did not review and monitor compliance with the requirements of the MFMA to ensure that contract extensions are made in accordance with the supply chain management regulations which resulted in irregular expenditure. Management incorrectly interpreted the requirement for extending of a contract procured through another organ of state.
42. Management did not review and monitor compliance with the requirements of the MFMA to ensure that that all revenue due to the municipality has been recorded and collected. The municipality does not have oversight controls to ensure that the property rates exemptions implemented were in accordance with the policies of the municipality.

## Other reports

43. 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.
44. 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.
45. The Hawks are investigating the Lambert's Bay Waterslide case, which is an operating contract of a service provider that had expired and allegations of irregularities in the appointment of the new service provider to operate the waterslide transpired subsequently. The Hawks collected all relevant information and submitted the matter to the Directorate of Public Prosecutions (DPP) for a final decision. The decision from the DPP was still pending at the time of this report
46. The Special Investigating Unit (SIU) raided the Cederberg municipality's offices in September 2020 in line with the proclamation by President Cyril Ramaphosa authorising the SIU to investigate allegations of corruption and maladministration in the procurement of personal protective equipment (PPE) for covid-19 in government institutions. The investigation has been concluded and the report handed over to the president. Three municipal officials were arrested and released on bail during the investigations. The outcome of the criminal proceedings was still pending at the time of this report.

47. The Public Protector is investigating a matter brought to its attention by a member of the public relating to the erection of a cell phone tower on vacant municipal property. The investigation had not been concluded at the time of this report.
48. Council is investigating a matter brought to it by the municipal manager relating to employees of the municipality who might have submitted fraudulent qualifications during their recruitment process. The investigation had not been concluded at the time of this report

Auditor-General

Cape Town

14 December 2022



AUDITOR-GENERAL  
SOUTH AFRICA

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## **Annexure – Auditor-general’s responsibility for the audit**

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for the selected objective and on the municipality’s compliance with respect to the selected subject matters.

### **Financial statements**

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
  - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality’s internal control
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
  - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Cederberg municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a municipality to cease operating as a going concern
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

### **Communication with those charged with governance**

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also 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.

