

# ***Cederberg Municipality***



## **Annual Report**

**2023/24**



# Annual Performance Report

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## MAYOR'S MESSAGE

It is with great pleasure that I present to you the Annual Report of Cederberg Municipality for 2023/24. Management within local government has a significant role to play in strengthening the link between the citizen and government's 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 of which Cederberg Municipality is not immune to.

Given the above we were still able to improve on the following ratios:

- There was a slight decrease in debtor's collections for 2023/24 of 88.2% in comparison with the prior year of 91.0%. However, during the 2024/25 financial year the collection has increased to 92.08% for December 2024
- The current assets to liabilities ratio increased slightly to 1.18:1 in comparison with 0.66:1 of the prior year.
- The average creditors' repayment days improved slightly to 48 days in comparison with 160 days in the prior year.

With these improved ratios we are of the opinion that the implementation of the financial plan is effective, and we 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 we have embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers.

I thank the administration under the capable leadership of our Municipal Manager, Gerrit Matthyse, for carrying out their task under very difficult financial conditions and enabling me to steer the ship through difficult financial realities which face us at Cederberg. Thank you for keeping the focus on our mandate. I also wish to express a word of appreciation to all those private sector persons and institutions that have shown support and commitment by joining forces with us to make Cederberg a better place for all.

**R. Richards**

**Executive Mayor: Cederberg Municipality**



# Annual Performance Report

## MUNICIPAL MANAGER OVERVIEW

The 2023/24 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 6-year term:

- 2017/18 and 2018/19 unqualified without findings' (clean audit)
- 2019/20 unqualified with findings
- 2020/21 unqualified without findings (clean audit)
- 2022/23 an unqualified with findings
- 2023/24 an unqualified with findings

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

The 2023/24 Annual Report ends a long journey of constant introspection, changing of mind-sets, comfort zones, and continuous co-operation between Council executing its oversight role and the administrations pursuit of strategic and operational best practices.

The 2023/24 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.

Unresolved cases emanating from previous councils and administrations such as legal cases, disciplinary cases, external investigations against Cederberg etc continue to absorb a lot of resources and indirectly sometimes redirect the focus from the pressing service delivery and other efforts to turn the municipality around in pursuit of stability, best practice service delivery, value adding resources utilization etc. However, the latter is part of the journey to ensure good governance and must be concluded timeously to prevent wastage of limited resources.

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. Continues and relentless pursuit of some of our key strategic focus areas for the MTREF period (3-year Budget cycle: 2023-2026) which are aligned with our 7 strategic objectives:

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1. Stable and effective oversight by council and committees of council.
2. Stable, capacitated, funded and credible organizational structure.
3. Achievement of refunded budget status, Unqualified audit opinion, blue and green drop status, blue flag status, well managed municipality status etc.
4. Capable, productive and professional workforce ie. effective implementation of a new performance management system for all staff members.
5. Capability to attract, spend, and retain funding for bulk infrastructure upgrade, replacement and maintenance program.
6. Effective and integrated asset management ie. functional fleet, asset protection, consequence management for abuse or negligence etc.
7. Security of water and electrical supply reimplementation of water resilience and energy resilience projects.
8. Well maintained, upgraded and replacement of aged bulk infrastructure.
9. Effective law and order ie, municipal by-law enforcement and safe neighborhoods ie, effective community safety forums.
10. Provision of basic services to the indigent and effective controls to mitigate abuse.
11. Creating an enabling environment makes it conducive for economic growth.
12. Implementation of affordable and effective human settlement solutions.
13. Good governance ie. ethical leadership, zero tolerance for corruption, effective combined assurance structure, effective consequence management etc.
14. Ensure environmental compliant practices ie. compliant sewerage works, solid waste management, estuary and coastal management.
15. Financially viable and economically sustainable municipality ie. achieve 95% collection rate reduced debtors book, reduced creators payment, achieved financial ratios, strong gearing ,reduce third party expenditure ie. security and legal services, inculcate a data driven approach etc.
16. Alignment of compliance against our constitutional mandate with our financial capacity, capacity and ability.to deliver ie. implement innovative service delivery mechanisms and solution ie.in-sourcing/ outsourcing proposals/ decentralizations/ centralization/ inter-governmental collaboration or partnerships/ technology, ie. regional dumpsite, resorts, vehicle impound facility, vehicle examination facilities, IMISA support, WCPG Section 154 support plan etc.
17. Best practice and town planning and building control services ie. impact of dam upgrade on municipal planning regime, strategic disposal of municipal owned properties etc.
18. Management of the client relations life cycle ie. effective complaint management system, customer relations systems.

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19. Maximization of the community consultations systems, processes and practices inward committees, IDP process etc.
20. Best practice Support functions such as HR disciplinary and recruitment and selection processes, Supply chain processes and systems, legal services, record management.
21. Effective, realistic and affordable and strategic value adding ICT architecture systems, processes and systems in support as the backbone to the Cederberg institution and operations.
22. Affordable small town regeneration practices and projects ie. Slipway Elands Bay, Algeria erven and registration issues, Paleisheuwel property transfer/ title deeds and needs, Wupperthal bridges, Elandskloof and Leipoltville needs etc.
23. Optimal inter-governmental participation and influencing ie. DCF, PCF, Min-May, SIME, TIME etc.
24. Promoting and implementing strategic value-adding partnerships with local chambers of commerce, farmers ie. housing opportunities for farm workers/Agri-villages, CBO's and NGO's ie. human rights mainstreaming groups (early childhood development, youth, elderly, abused woman and children animal rights groupings, shelters for those affected by the economic and social circumstances, provision of food to the destitute, drug abuse.
25. Multi-disciplinary action plan to address ie. impact of in-migration and economic migrants on municipal capacity ie. resources, infrastructure and services, sports fields, medical facilities, educational facilities, promotion of social cohesion practices etc.
26. Effective protection services ie. disaster and fire services ie. Fire fighting powers and functions between WCDM/WCPG and Cederberg.
27. Cederberg municipality integrated 20-year master plan for the Clanwilliam Dam wall project.

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

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Since my appointment 1 June 2023, my vision is unashamedly to reduce the legacy **trust deficit** issues between citizens, businesses, government departments etc. and Cederberg Municipality, to progress to a reality where citizens, business, government institutions again **trust** Cederberg to deliver on its constitutional mandate, and ultimately **collaborate** with Cederberg in pursuit of becoming a best practice municipality in the Western Cape and Nationally.

**G. Matthyse**

**Municipal Manager**

# Annual Performance Report

## 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 2023/24 Annual Report reflects on the performance of the Cederberg Municipality for the period 1 July 2023 to 30 June 2024. 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

# Annual Performance Report

## 1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

### 1.2.1 Demographic Profile

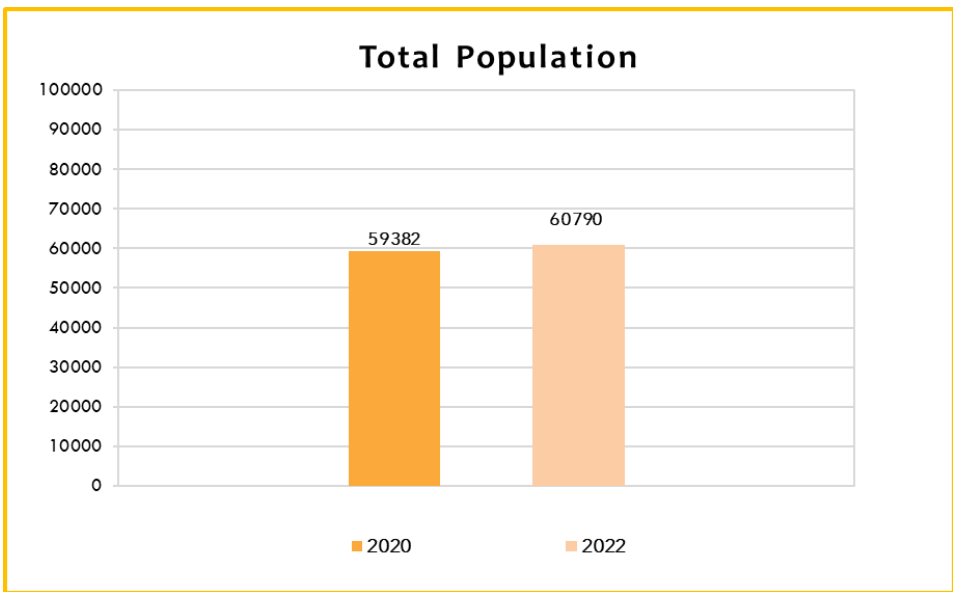
Demographics is broadly defined as the study of population dynamics which are significantly influenced by a wide array of factors such as birth and death rates, migration patterns, age, race, gender, life expectancy etc. The importance of understanding demographics as a decisive factor in shaping our current socio-economic reality is therefore critical for governments, economists and politicians alike.

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

Municipal Area			
Description		2020	2022
Population		59 382	60 790
Households		16 488	16 780
People per Household		3.8	3.7
Sex Ratio		99.4	99.8
Gender Breakdown	Males	50%	50%
	Females	50%	50%
Age Breakdown	0 - 14	16 018	16 264
	15 - 64	40 361	41 372
	65+	3 004	3 153

Source: 2020 &2022 Socio-Economic Profile

Table 1: Demographic Profile



Graph 1: Total Population



# Annual Performance Report

## 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, Leipoldtville, 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
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

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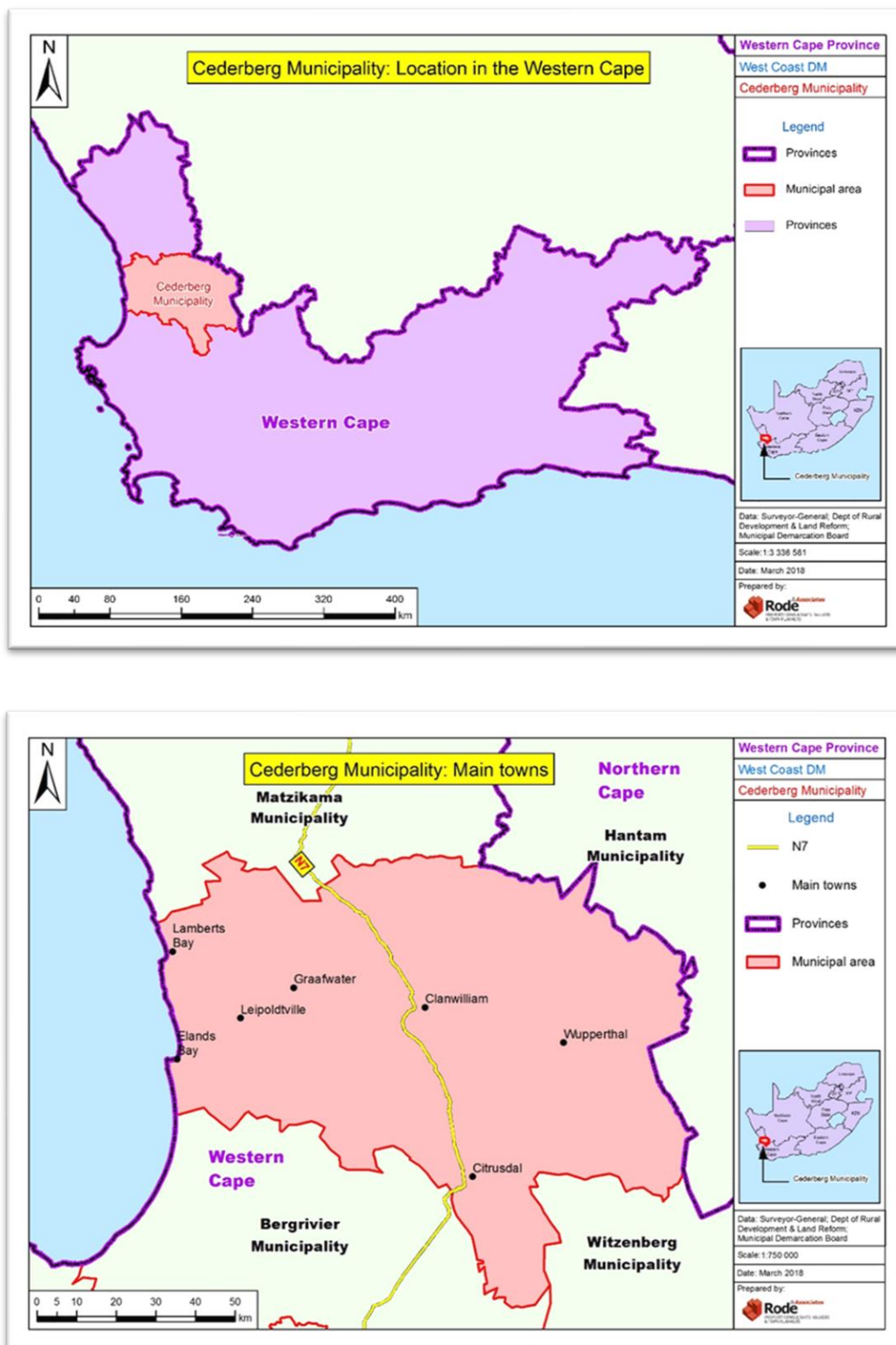
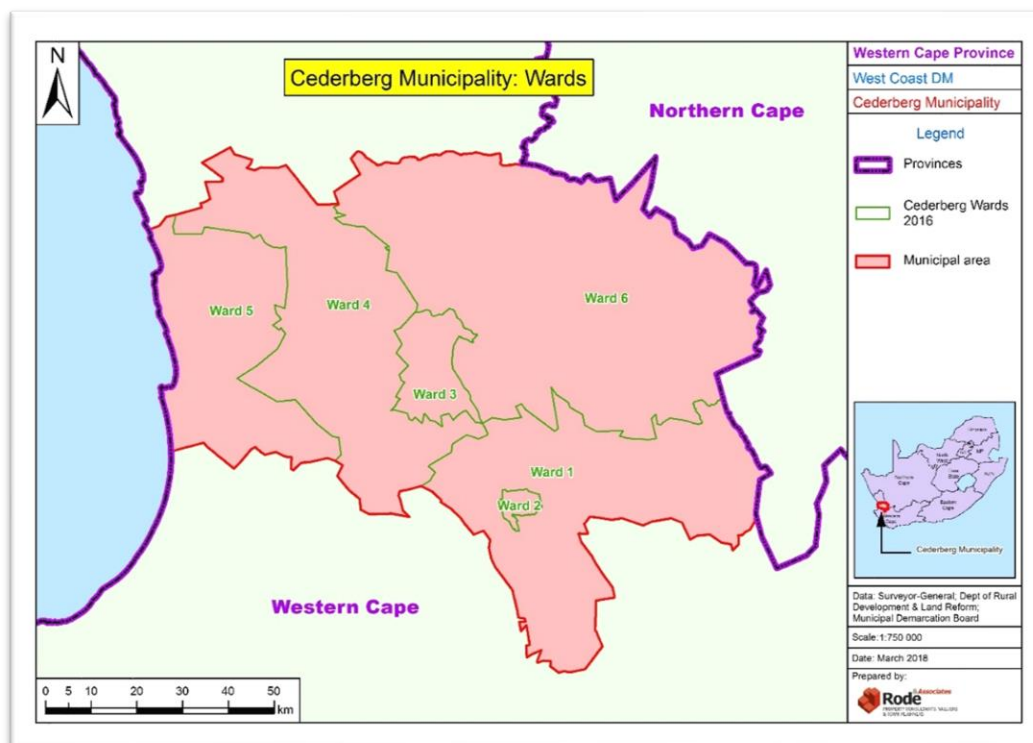


Figure 1: Cederberg Area Map

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## 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

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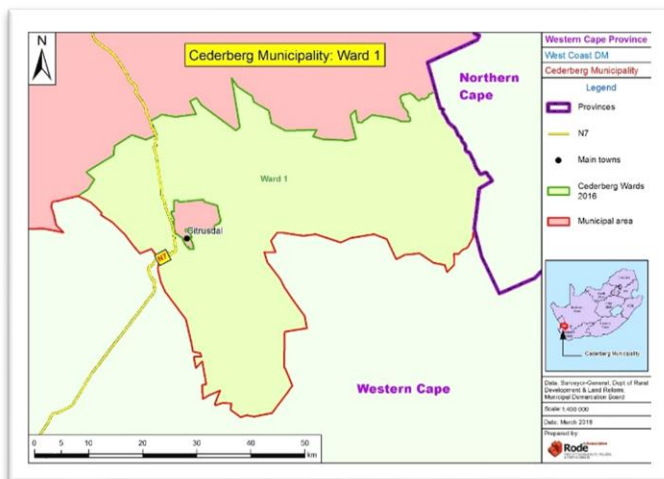


Figure 2: Ward 1

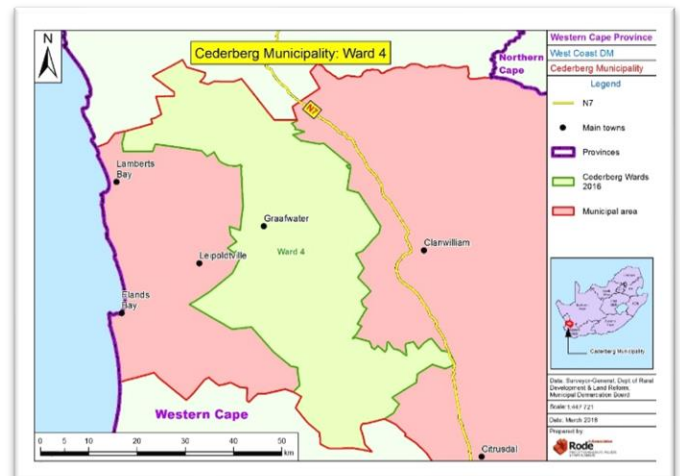


Figure 5: Ward 4

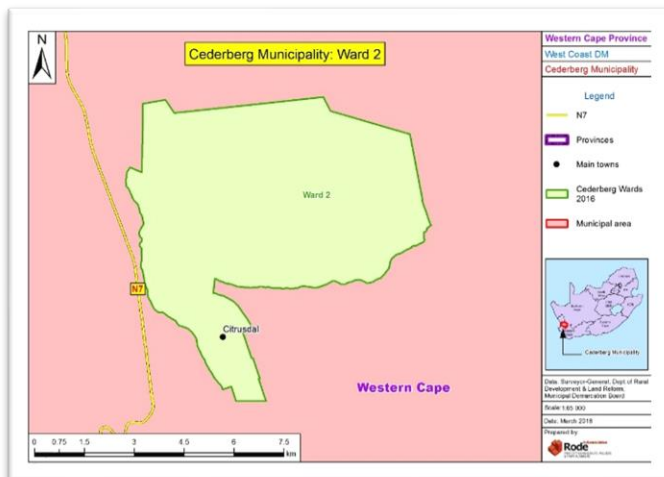


Figure 3: Ward 2

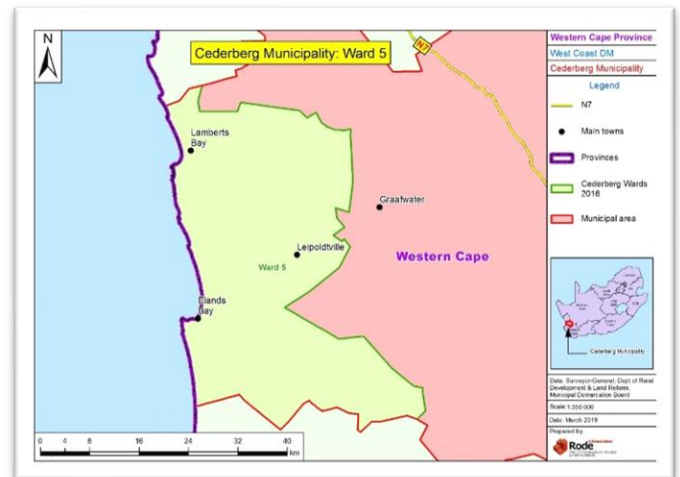


Figure 6: Ward 5

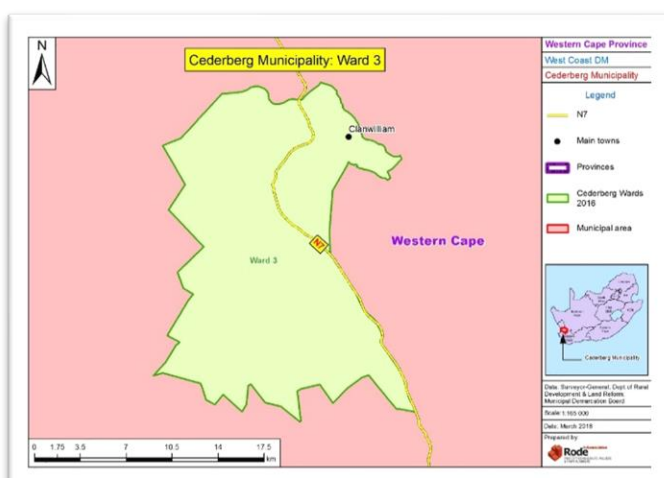


Figure 4: Ward 3

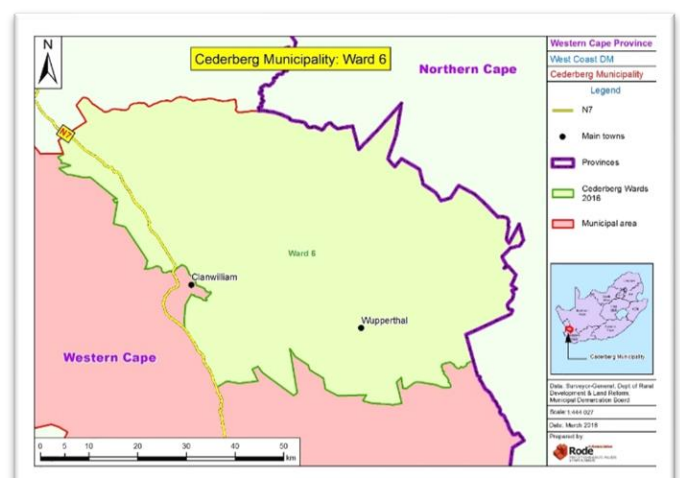


Figure 7: Ward 6



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## 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

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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.





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## 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
Improve water quality in Clanwilliam	Sandfilters were installed in Clanwilliam WTW
Clanwilliam Waste Water Treatment Works (WWTW)	<p>The upgrade and refurbishment of the WWTW in Cederberg Municipality is currently underway, funded by the Water Services Infrastructure Grant (WSIG) and the Municipal Infrastructure Grant (MIG). This project is designed to ensure that the WWTW can produce treated effluent that meets the stringent limits set by the DWS Standards, benefiting the residents of Clanwilliam and the surrounding environment.</p> <p>Scope of Refurbishment Works</p> <ol style="list-style-type: none"><li>1. Upgrade the Inlet Works Flow Measurement Facility.</li><li>2. Remedial works on existing WWTW equipment</li><li>3. Installation of a small lime dosing facility to the pH correction at Inlet works</li><li>4. Convert one of the existing sludge lagoons into a night storage pond</li><li>5. Construct a temporary overflow weir at Inlet works</li></ol> <p>Install a temporary submersible pump</p>
New 66/11kV substation and 66kV overhead line from Graafwater to Clanwilliam	100% Funding allocated for the Integrated National Electrification Programme (INEP)
Loadshedding Relief Grant: Generators	7 Generators were procured to assist during loadshedding
Specialised Waste Vehicles	Through MIG funding, two Tractor-Loader-Backhoes (TLBs), one Front End Loader, one Refuse Compactor Truck, and one Cage Truck have been procured

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Highlights	Description
Regional Bulk Waste Disposal Facility	Construction of the Regional Bulk Waste Disposal Facility began in January 2024
Pothole repairs	Repair 7 057 potholes in municipal area all towns
Roads infrastructure	Slurry seal ( 12751 m2 ) in Citrusdal and Lamberts Bay

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
Inadequate funding to address infrastructure needs	Funding applications must be submitted to secure funding for the upgrade of infrastructure
Water quality failures from the Clanwilliam Dam. No infrastructure to purify drinking water to acceptable standards as per SANS 241	Funding application must be submitted to Department of Water and Sanitation (DWS) to upgrade the purification works
The Citrusdal drinking water storage is inadequate and a 3ML reservoir is required	Funding application must be submitted to DWS for the construction of the 3ML reservoir
Inability to reduce water losses in all towns	Additional staff must be appointed to conduct repairs
Scarcity of ground water - Cederberg Area	Draft a Ground Water Monitoring Protocol to enhance the management of the water resource
Communities without water during power outages	The installation of permanent generators is required
Elands Bay oxidation ponds are overloaded	The appraisal requires that volume test on the oxidation ponds need to be done
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
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
Loadshedding	Load curtailment on the municipal side to ensure safeguarding of the network
Illegal electrical connections	Investigate no purchase list received from Finance Department
Illegal dumping on road reserves	Awareness and cleaning campaigns should be conducted
Insufficient refuge equipment and vehicles	Budgetary provision must be made to replace old equipment and trucks
Roads infrastructure	Budgetary provision must be made to address aging infrastructure

Table 6: Basic Services Delivery Challenges

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## 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	
	2022/23	2023/24
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	5 830	5 504
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	6 659	8 558
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	5 047	5 032
Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June 2023	5 859	5 784

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/ Revenue Enhancement	The Municipality completed an in-house data cleansing project to compare the billing and valuation roll, ensuring that all billings are in line with the valuation roll
Debt Relief	The Municipality has applied to be part of the debt relief program and has been approved. It is monitored monthly to qualify for the first third to be written off in 2024

Table 8: Financial Viability Highlights

### 1.4.2 Financial Viability Challenges

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

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Challenges	Action to address
Implementing Municipal Standard Chart of Accounts (mSCOA)	An mSCOA roadmap /project plan has been compiled and closely adhered to. Remaining differences are addressed. The mSCOA steering committee has been re-established
Increase in bad debt	Council approved a new Credit Control Policy. Credit control procedures are applied diligently every month
Unfunded budget	Provincial Treasury assessed that the budget is unfunded. An amended budget funding plan has been tabled and approved. The Municipality has been monitored during the 2023/24 financial year. The Municipality has however tabled a funded budget for the 2024/25 financial year

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	2022/23	2023/24
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.70	1.50
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.14	0.16
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	159.71	204.80

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

## 1.4.4 Financial Overview

The table below indicates the financial overview for the year:

Details	Original budget	Adjustment Budget	Actual
	R'000		
Income			
Grants	89 549 377	125 641 476	115 293 997
Taxes, Levies and tariffs	245 315 995	254 391 000	264 331 644
Other	36 836 714	81 293 127	36 836 714
Sub Total	371 702 086	461 325 603	453 971 055
Less Expenditure	394 800 236	479 693 231	445 369 180

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Details	Original budget	Adjustment Budget	Actual
	R'000		
Net surplus/(deficit)	(23 098 150)	(18 367 628)	8 601 874

Table 11: Financial Overview

## 1.4.5 Total Capital Expenditure

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

Detail	2022/23	2023/24
	R'000	
Original Budget	70 530 477	85 994 625
Adjustment Budget	62 952 017	53 664 303
Actual	30 252 751	41 662 116
% Spent	48.06%	77.63%

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.

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- **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:

Year	2020/21	2022/23	2023/24
Opinion received	Unqualified without findings	Unqualified with findings	Unqualified with findings

Table 13: Opinion Received

## 1.6 2023/24 IDP/BUDGET PROCESS

The table below provides details of the 2023/24 IDP/Budget process:

No	Activity	Responsible person	Date
<b>Pre-Budgeting Processes/Tasks</b>			
1	Provincial IDP Managers Forum	IDP/PMS	02 & 03/06/2022
2	Make Public the 3rd Quarter Performance Report	PMS	03/06/2022
3	Place the IDP, multi-year budget, all budget-related documents and all budget-related policies on the website	IDP/PMS	03 /06/2022
4	Submit a copy of the revised IDP to the MEC for LG (within 10 days of the adoption of the plan)	IDP/PMS	10/06/2022
5	Submit approved Budget to National and Provincial Treasuries (both printed and electronic formats)	CFO	10/06/2022
6	Submit a copy of the revised IDP to West Coast District Municipality	IDP/PMS	10/06/2022
7	Submit the 3rd Quarter Performance Report to Provincial Treasury, National Treasury and Department of Local Government	PMS	10/06/2022
8	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	10/06/2022
9	Submit to the Executive Mayor the SDBIP and performance agreements for the budget year (no later than 14 days after the approval of an annual budget)	Municipal Manager	14/06/2022



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No	Activity	Responsible person	Date
10	Submit monthly report on the budget for period ending 31 May 2022 within 10 working days to the Executive Mayor	Manager Budget	14/06/2022
11	Executive Mayor takes all reasonable steps to ensure that the SDBIP is approved (within 28 days after approval of the budget)	Municipal Manager	28/06/2022
12	Place the performance agreements on the website	IDP/PMS	28/06/2022
13	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 14 days after concluding the employment contract and performance agreements)	IDP/PMS	28/06/2022
14	Submit the SDBIP to National and Provincial Treasury within 10 working days of the approval of the plan	Municipal Manager	12/07/2022
15	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	12/07/2022
16	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	14/07/2022
17	Make public the performance agreements of the Municipal Manager and senior managers (no later than 14 days after the approval of the SDBIP)	PMS	8/ 07/2022
18	2021/2022 4th Quarter Performance (Section 52) Report tabled to Council	IDP/PMS	31/08/2022
19	Submit monthly report on the budget for period ending 31 July 2022 within 10 working days to the Executive Mayor	CFO	31/08/2022
20	Table Final Process Plan and IDP/PMS/Budget Time Schedule for approval by Council	IDP/PMS	31/08/2022
21	Table Annual Performance Report and Annual Financial Statements to Council	IDP/PMS	31/08/2022
22	Submit the Annual Performance Report and Annual Financial Statements to the Auditor-General	IDP/PMS	31/08/2022
23	Table Annual Performance Report and Annual Financial Statements to Council	IDP/PMS	31/08/2022
24	Submit the Annual Performance Report and Annual Financial Statements to the Auditor-General	IDP/PMS	31/08/2022
25	Submit Process Plan & IDP/Budget key deadlines to Provincial Government and West Coast District Municipality	IDP/PMS	01/09/2022
26	Advertisement of Process Plan & IDP/PMS/Budget Time Schedule on website/local newspaper/notice boards	IDP/PMS	07/09/2022
27	Make public the 4th Quarter 2021/2022 Performance Report	IDP/PMS	07/09/2022
28	Submit the 4th Quarter Performance Report to Provincial Treasury, National Treasury and Department of Local Government	IDP/PMS	07/09/2022
29	Provincial IDP Managers Forum	IDP/PMS	10&11/09/2022
30	Submit monthly report on the budget for period ending 31 August 2022 within 10 working days to the Executive Mayor	Manager Budget	13/09/2022

# Annual Performance Report

No	Activity	Responsible person	Date
31	Performance Evaluations Senior Managers	Municipal Manager & IDP/PMS	22/09/2022
32	Public Engagements	IDP/PMS & Public Participation	09-30/09/2022
34	Submit 1st Quarter Performance Report (Section 52) to Mayoral Committee	IDP/PMS	14/10/2022
35	Submit monthly report on the budget for period ending 30 September 2022 within 10 working days to the Executive Mayor	Manager Budget	14/10/2022
36	Make public the 1st Quarter Performance Report	PMS	04/11/2022
37	Submit the 1st Quarter Performance Report to Provincial Treasury, National Treasury and Department of Local Government	PMS	04/11/2022
38	Submit monthly report on the budget for period ending 31 October 2022 within 10 working days to the Executive Mayor	Manager Budget	11/11/2022
39	Strategic Workshop with Council	Municipal Manager	22/11/2022
40	Provincial IDP Managers Forum	IDP/PMS	01&02/12/2022
41	Submit monthly report on the budget for period ending 30 November 2022 within 10 working days to the Executive Mayor	Manager Budget	14/12/2022
42	Submit monthly report on the budget for period ending 31 December 2022 within 10 working days to the Executive Mayor	Manager Budget	13/01/2023
43	Submit Mid-Year Performance Assessment Report to Executive Mayor	IDP/PMS	25/01/2023
44	Submit Mid-Year Budget Assessment to Executive Mayor	CFO	25/01/2023
45	Submit 2nd Quarter Performance Report to Council	IDP/PMS	31/01/2023
46	Table Draft Annual Report 2021/2022 to Council	Municipal Manager	31/01/2023
47	Submit Mid-Year Budget and Performance Report to Council	IDP/PMS	31/01/2023
48	Submit Mid-Year Budget and Performance Report to Provincial Treasury, National Treasury and Department of Local Government	Municipal Manager	31/01/2023
49	Submit the 2nd Quarter Performance Report to Provincial Treasury, National Treasury and Department of Local Government	IDP/PMS	31/01/2023
50	Make public the Annual Report for comments	IDP/PMS	08/02/2023
51	Make public the Mid-Year Budget and Performance report	Municipal Manager	08/02/2023
52	Make public the 2nd Quarter Performance Report	Municipal Manager	08/02/2023
53	Mid-Year Performance Evaluations Senior Managers	Municipal Manager	09/02/2023
54	Submit monthly report on the budget for period ending 31 January 2023 within 10 working days to the Executive Mayor	Manager Budget	14/02/2023
55	Council considers and adopts 2022/23 Adjustment Budget and potential revised 2022/23 SDBIP	Municipal Manager	28/02/2023
56	Advertise the approved 2022/23 Adjustments Budget and submit budget and B Schedules to National Treasury and Provincial Treasury as required per legislation (within 10 working days)	Manager Budget	14/03/2023
57	Provincial IDP Managers Forum	IDP/PMS	02&03/03/2023

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No	Activity	Responsible person	Date
58	Submit monthly report on the budget for period ending 28 February 2023 within 10 working days to the Executive Mayor	Manager Budget	14/03/2023
59	Budget Steering Committee Meeting	CFO	23/03/2023
60	Table Draft IDP / BUDGET/ SDBIP & SDF to Council	Municipal Manager	31/03/2023
61	Table Oversight Report to Council	Municipal Manager	31/03/2023
62	Submit the draft IDP, SDBIP and budget to Department of Local Government, National, Provincial Treasury and West Coast District Municipality	IDP/PMS	03/04/2023
63	Advertise the Draft IDP, SDBIP, budget, SDF and other required documents and provide at least 21 days for public comments and submissions	IDP/PMS	03/04/2023
64	Make public the Oversight Report within 7 days of its adoption (MFMA-Sec129)	IDP/PMS	10/04/2023
65	Submit the Annual Report and Oversight Report to the provincial legislature as per circular (MFMA-Sec 132)	IDP/PMS	10/04/2023
66	Submit monthly report on the budget for period ending 31 March 2023 within 10 working days to the Executive Mayor	Manager Budget	14/04/2023
67	Community Road Shows to consult the Draft IDP, SDBIP and Budget	IDP/PMS	11-29/04/2023
68	Closing of comments and representations on the Draft IDP, Budget & SDF	IDP/PMS & CFO	08/05/2023
69	Submit monthly report on the budget for period ending 30 April 2023 within 10 working days to the Executive Mayor	Manager Budget	12/05/2023
70	Budget Steering Committee Meeting	CFO	16/05/2023
71	MAYCO meeting to recommend the Revised IDP	Municipal Manager	12/05/2023
72	Submit 3rd Quarter Performance Report to Council	IDP/PMS	31/05/2023
73	Council to adopt Revised IDP, Budget and SDF	Municipal Manager	31/05/2023
74	Provincial IDP Managers Forum	IDP/PMS	08 & 09/06/2023
75	Make Public the 3rd Quarter Performance Report	PMS	02/06/2023
78	Place the IDP, multi-year budget, all budget-related documents and all budget-related policies on the website	IDP/PMS	02 /06/2023
79	Submit a copy of the revised IDP to the MEC for LG (within 10 days of the adoption of the plan)	IDP/PMS	09/06/2023
80	Submit approved Budget to National and Provincial Treasuries (both printed and electronic formats)	CFO	09/06/2023
81	Submit a copy of the revised IDP to West Coast District Municipality	IDP/PMS	09/06/2023
82	Submit the 3rd Quarter Performance Report to Provincial Treasury, National Treasury and Department of Local Government	PMS	09/06/2023
83	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	09/06/2023
84	Submit to the Executive Mayor the SDBIP and performance agreements for the budget year (no later than 14 days after the approval of an annual budget)	Municipal Manager	14/06/2023

# Annual Performance Report

No	Activity	Responsible person	Date
85	Submit monthly report on the budget for period ending 31 May 2023 within 10 working days to the Executive Mayor	Manager Budget	14/06/2023
86	Executive Mayor takes all reasonable steps to ensure that the SDBIP is approved (within 28 days after approval of the budget)	Municipal Manager	30/06/2023
87	Place the performance agreements on the website	IDP/PMS	30/06/2023
88	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 14 days after concluding the employment contract and performance agreements)	IDP/PMS	30/06/2023
89	Submit the SDBIP to National and Provincial Treasury within 10 working days of the approval of the plan	IDP/PMS	12/07/2023
90	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	12/07/2023
91	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	14/07/2023
92	2022/2023 4th Quarter Performance (Section 52) Report tabled to Council	IDP/PMS	31/08/2023
93	Submit monthly report on the budget for period ending 31 July 2023 within 10 working days to the Executive Mayor	Manager Budget	10/08/2023
94	Table Final IDP/PMS/Budget Time Schedule for approval by Council	IDP/PMS	31/08/2023
95	Table Annual Performance Report and Annual Financial Statements to Council	IDP/PMS	31/08/2023
96	Submit the Annual Performance Report and Annual Financial Statements to the Auditor-General	IDP/PMS	31/08/2023
<b>Community Participation Process</b>			
97	Community Participation Process took Place During April 2023	All Wards	April 2023
<b>Budget Preparatory Process</b>			
98	IDP and Budget Process plan 2022/23 approved by Council	Executive Mayor	31 August 2022
<b>Budgetary Policies</b>			
99	Tariff Policy Credit Control and Indigent Policy Supply Chain Management Policy Property Rates Policy Grant-in Aid Policy Cash and Investment Policy Asset Management Policy Virement Policy Funding and Reserves Policy Borrowing Policy Budget Policy Creditors, Councillors & Staff Payment Policy Customer Care Improvement Strategy	Executive Mayor	31 May 2023

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No	Activity	Responsible person	Date
	Petty Cash Policy Relocation Policy Study Aid Policy Employment Equity and Employment Assistance Absenteeism & Desertion COVID-19 Policy Code of Ethics Policy Job Evaluation Policy Overtime & Standby Policy PPE Procedure Relocation Policy Disciplinary Procedure Policy (SALGBC) HIV / AIDS Policy Sexual Harassment Policy Smoking Policy Study Aid Study Bursary Substance Abuse Recruitment & Selection Training and Skills Development Telecommunications EPWP Policy Subsistence and Travel Human Resource Management System Financial Management System Performance Management and Related Systems Risk Management System Document management and process flow systems		
<b>Tabling of Budget</b>			
100	Annual Report 2022/2023 approved	Executive Mayor	31 January 2024
101	Draft Budget approved by Council & Draft IDP 2023/2024 approved	Executive Mayor	31 March 2023
102	Final Budget and IDP approved by Council	Executive Mayor	31 May 2023
<b>Finalising</b>			
103	Oversight Report with Annual report 2022/23 approved by Council	Executive Mayor	14 May 2024

Table 14: 2023/24 IDP/Budget Process

# Annual Performance Report

## 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	
		2022/23	2023/24
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 2023	55.34%	77.63%

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	Council appointed a Municipal Manager to initiate and promote good governance
Appointment of Chief Financial Officer	Recruitment process for top layer, i.e. Chief Financial Officer concluded at Council Level
Appointment of Director : Support Services	Recruitment process for top layer, i.e. Director: Support Services concluded at Council Level



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Highlights	Description
Financial Turnaround Plan	Council initiated action to address financial crisis through initiation of a turnaround plan. That will promote good governance and increase consumer confidence in Council
Financial Turnaround Plan	Council initiated action to address financial crisis through initiation of a turnaround plan. That will promote good governance and increase consumer confidence in Council

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
Organisational structure	The lack of funding to develop an organisational structure and inclusion into the provincial project at a late stage means that Cederberg along with the five other municipalities will implement the organisational structure and all other processes related to the same at a later stage than planned
Local Government Municipal Staff Regulations, 2021	The implementation of the regulations remains a challenge due to the regulated changes and additional requirements that places strain on the staff in the Human Resources Department

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.

Name of Councillor	Capacity	Political Party	Ward representing or proportional
Ruben Richards	Executive Mayor	CE	Proportional

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Name of Councillor	Capacity	Political Party	Ward representing or proportional
Andre Mouton	Deputy Executive Mayor	CE	Ward 6
Johan Hayes	Speaker	DA	Ward 5
Martin Bergh	Chairperson of MPAC	CE	Proportional
Leone Venter	Mayoral Committee Member	DA	Proportional
Johan Van Heerden	Mayoral Committee Member	FF+	Proportional
William Farmer	Councillor	PA	Proportional
Azrial Scheepers	Ward Councillor	ANC	Ward 1
Maxwell Heins	Ward Councillor	CE	Ward 3
Francois Kamfer	Ward Councillor	ANC	Ward 2
Paulus Strauss	Ward Councillor	ANC	Ward 4

Table 18: Council 2023/24

## 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 are listed in the table below:

Name of member	Capacity
Ruben Richards	Executive Mayor
Andre Mouton	Deputy Executive Mayor
Leone Venter	Member of Mayoral Committee
Johan Van Heerden	Member of Mayoral Committee

Table 19: Executive Committee 2023/24

## 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.

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The portfolio committees were as follow:

Support Services Committee	
Chairperson	Other members
Leone Venter	Johan Van Heerden
	Francois Kamfer
	Maxwell Heins
Financial Services Committee	
Chairperson	Other members
Johan Van Heerden	Andre Mouton
	Azrial Scheepers
	Maxwell Heins
Municipal Public Accounts Committee	
Chairperson	Other members
Martin Bergh	Johan Van Heerden
	William Farmer
Technical Services Committee	
Chairperson	Other members
Andre Mouton	Leone Venter
	Paulus Strauss
	Maxwell Heins

Table 20: Portfolio Committees 2023/24

## 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

# Annual Performance Report

## 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 once of Mayor”
- the committee has no powers of its own - decision making remains that of the Mayor

### 2.4.2 Administrative Governance Structure

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

Council approved an organisational structure on 14 May 2024 and the Management Team and directorates were as follows:

Name of Official	Position
G Matthyse	Municipal Manager
R. De Ridder	Director Technical Services
H Witbooi	Director Support Services
N Smit	Director Financial Services

Table 21: Administrative Governance Structure

# Annual Performance Report

## 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; DSD; Grassroots; WCDM; ECD centres across Cederberg	Monitoring and evaluation of ECD activities. Partnership with Grassroots and DSD to ensure optimum involvement and assistance to Cederberg ECD centres
Cederberg Social Development Forum	Cederberg Municipality, DSD, Initiative for Community Advancement (ICA), Rural Impact, Stop Crime Against Children (SCAC), DoH, Cederberg Matzikama AIDS Network (CMAN)	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 22: Intergovernmental Structures

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## 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 initiatives to promote local economic development	Department of Water & Sanitation (DWS), Department of Agriculture
National Rural Youth Service Corps (Narysec)	Recruit young people from Cederberg to take part in 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)

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Name of Project/ Function	Expected Outcome/s of the Project	Sector Department/s involved
West Coast Joint District Approach (JDA) - Presidency	Planning on District Level	Municipalities in West Coast, DLG, DEADP, WCDM, Department of Rural Development and Land Reform (DRDLR)
Waste Management Forum	Discussing waste issues, Integrated waste planning, waste management and services,	Municipalities, DEADP and invitees
Green Deeds	Environmental issues, Air pollution, Coastal management and related	Municipalities in Province
Water Service Infrastructure Grant (WSIG) Coordination meetings	To coordinate projects and funding from 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 23: 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 are as follow:

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## 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
Samuel Hugo	Safety
Salmon Daniels	Geographical

Table 24: 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 25: 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



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Name of representative	Capacity representing
Nothemba Kilo	Youth
Ilse Lochner	Business Chamber
Katrina White	Women, Elderly and Disabled

Table 26: Ward 3: Committee Members

## d) Ward 4: Graafwater and Elands Bay

Name of representative	Capacity representing
Washiela Douries	NPO
Jakobus Van Der Westhuizen	Sport
Francis Damon	Social Development
Mbali Mdaweni	Women in Small Business
Thelma Majikijela	CWP Community Garden
Sara Strauss	ECD
Paul Taylor	Sport

Table 27: Ward 4: Committee Members

## e) Ward 5: Lamberts Bay and Leipoldtville

Name of representative	Capacity representing
Joos Engelbrecht	Tourism
Henry Arangie	Safety
Micheal Van Der Horst	Sport
Patrick Schalk	Arts and Culture
Jeff Schalk	Health
Elisma Daniels	SME Development

Table 28: Ward 5: Committee Members

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

Name of representative	Capacity representing
Lezaan Farmer	Geographical
Jacobus Adonis	Geographical
Milton Fortuin	Geographical
Beulah Engelbrecht	Geographical
Anthony Abels	Geographical
Petrus Hanekom	Geographical

Table 29: Ward 6: Committee Members

## 2.6.2 Representative Forums

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## a) Labour Forum

The table below specifies the members of the Labour Forum for the 2023/24 financial year:

Name of representative	Capacity
Councillor Ruben Richards	Chairperson
Councillor Andre Mouton	Member
Gerrit Matthyse	Municipal Manager
Henry Witbooi	Director: Support Services
Riaan De Ridder	Director: Technical Services
Lameez September	Acting Chief Financial Officer
Zukile Xhoma	SAMWU Shop Steward
Ayanda Sonqkayi	SAMWU Shop Steward
John Mountain	SAMWU Shop Steward
Enrico Sampson	IMATU Shop Steward
Rodney Foentjies	IMATU Shop Steward
Muriel Links	IMATU Shop Steward
Jacobus Van Maro	IMATU Shop Steward
Alice Wilton	Acting Manager: Human Resources
Izaan Tieties	HR Practitioner: Labour Relations
Jessica Cloete	Committee Services Officer

Table 30: Labour Forum

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## 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.

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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
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 pounds	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 31: 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)

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- 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
Gerrit Matthyse	Municipal Manager
Joylyon Goeieman	Internal Auditor
Vacant	Technical Services Manager PMU
Erika Visser	Acting Chief Financial Officer (CFO)
Jennifer Maarman	Manager: Supply Chain Management
Randall September	Manager: Electro-Mechanical
Henry Witbooi	Manager: Human Resources
Andries Titus	Director: Support Services
Jaques Kotze	Manager: Civils
Collin Julies	Officer: OHS and Organizational Risk Management

Table 32: 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 33: Strategies

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## 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 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 34: 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

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- 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 35: 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.



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## 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 36: Members of the Performance Audit Committee

## 2.11 SUPPLY CHAIN MANAGEMENT

### 2.11.1 Competitive Bids in Excess of R200 000

#### **Bid Committee Meetings**

The following table details the number of bid committee meetings held for the 2023/24 financial year:

Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
18	21	11

Table 37: Bid Committee Meetings

#### **Awards Made by the Bid Adjudication Committee**

The highest bids awarded by the bid adjudication committee are as follows:

Bid number	Title of bid	Directorate and section	Successful Bidder	Value of bid awarded (inclusive of all costs)
CED 05/2023-2024	Supply and delivery of a 19/20 m <sup>3</sup> refuse compactor truck	Technical Services	Shorts Nissan	3 660 490.25

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Bid number	Title of bid	Directorate and section	Successful Bidder	Value of bid awarded (inclusive of all costs)
CED 39/2022-2023	Provision of network support services, hosting-, security- and VoIP services from date of award until 30 June 2026	Support Services	DK Wireless (Pty) Ltd	3 046 726.08
CED 07/2023-2024	Upgrading Of Waste Water Treatment Works Clanwilliam - Phase 1	Technical Services	Westland Construction (Pty) Ltd	2 319 314.25
CED 08/2023-2024	Drilling and testing of boreholes in Lamberts Bay	Technical Services	SA Rotsbore (Pty) Ltd	2 120 035.54
CED 24/2022-2023	Supply and delivery of standby generators	Technical Services	MDL Engineering Co (Pty) Ltd	1 953 781.00

Table 38: Highest Bids Awarded by Bid Adjudication Committee

## Awards Made by the Accounting Officer

In terms of paragraph 5(2)(a) of Council's Supply Chain Management (SCM) Policy, only the Accounting Officer may award a bid which is in excess of R10 000 000. The power to make such an award may not be sub-delegated by the Accounting Officer. The bids awarded by the Accounting Officer were as follows:

Bid number	Title of bid	Directorate and section	Value of bid awarded (inclusive of all costs)
CED 01/2023-2024	Refurbishment Of Clanwilliam Waste Water Treatment Works	Technical Services	R18 114 751.96

Table 39: Awards Made by Accounting Officer

## Appeals Lodged by Aggrieved Bidders

4 Objections were received for the period under review, and none was successful.

## Awards Made in terms of Preferential Procurement Regulations, 2011

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

### 2.11.2 Deviation from Normal Procurement Processes

Paragraph 36 of Council's SCM Policy allows the Accounting Officer to dispense with the official procurement process. Deviations amounting to R7 063 666 was approved by the Accounting Officer. The following table provides a summary of deviations approved for 2023/24:

Type of deviation	Number of deviations	Value of deviations	Percentage of total deviations value
Sole Provider	13	454 768	6.4%

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Type of deviation	Number of deviations	Value of deviations	Percentage of total deviations value
Impractical / Exceptional	7	5 630 463	79.7%
Emergency	10	978 435	13.9%

Table 40: Summary of Deviations

Deviations from the normal procurement processes have been monitored closely and reported monthly.

## 2.11.3 Logistics Management

The system of logistics management must ensure the following:

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

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

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

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

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

## 2.11.4 Disposal Management

The system of disposal management must ensure the following:

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- Immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise
- Movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous
- Firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee
- Immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise
- All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed
- Where assets are traded in for other assets, the highest possible trade-in price is negotiated;
- In the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment

The Municipality complies with Section 14 of the MFMA which deals with the disposal of capital assets. The disposal process plan was finalised in August 2010 and aims to provide the guidelines for the disposal of all obsolete and damaged assets.

## 2.12 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	Quarterly
External	Quarterly

Table 41: Newsletter

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## Awareness Campaigns

Topic	Target Groups
Anti - Corruption and Fraud Campaign (Internal Focus)	Internal awareness campaign to educate and inform staff and councillors about practices of fraud and corruption
Batho Pele - People First	Internal awareness campaign to refresh the staff of the principles of Batho Pele and customer care
Municipal radio profiling: Managers	Managers and or delegated staff of the municipality profiling their departments and the corporate message of the municipality
Municipal radio: Executive Mayor & Municipal Manager	Executive Mayor profiles the programmes of the municipality against the set vision and progress made. The Municipal Manager profiles the municipality against the service delivery standards project management and customer care and customer relations
Internal Newsletter	Internal news dealing with management, staff, councillor, union related matters
External Newsletter	External news dealing with campaign programme and project related matter
Applications and forms	Education campaign to customers struggling to understand or correctly complete municipal forms ( across the spectrum)
Clean rivers and wetland (include coastal clean - up)	Environmental awareness campaign
TID electricity	Education and awareness campaign to all electricity pre - paid users
Fire Awareness Campaign	Awareness campaign in Clanwilliam and all informal settlement
Welcome to Cederberg	Campaigns to welcome guests and tourists to Cederberg ( include save water campaign on - going)
Back to School Campaign	Educational awareness campaign. Emphasis on the good standards of our schools and teachers
Jamboree	Campaign bringing municipal services to communities
Do not litter campaign	Awareness campaign to stop illegal dumping and littering
Youth Job and Entrepreneurship Summit	Education workshop campaign
Anti - Vandalism Campaign	Awareness and education campaign
Clean Towns	Awareness and education campaign
Communication survey	Information and statistical

Table 42: Awareness Campaigns

## Additional Communication Channels Utilised

Channel	Yes/No
SMS system	Yes
Call system and WhatsApp	Yes
Facebook	Yes
WhatsApp Groups	Yes

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Channel	Yes/No
IGR Forums/Engagements	Yes
Joint Operations Centre Meetings	Yes
Municipal Website	Yes
Local Radio	Yes
Ward Committees	Yes

Table 43: Additional Communication Channels Utilised

## 2.13 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 2023/24	Yes
Adjusted Budget 2023/24	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

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Description of information and/or document	Yes/No
Travel and Subsistence Policy	Yes
SDBIP 2023/24	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 2024/25	Yes
IDP Process Plan for 2024/25	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 2022/23	Yes
Oversight Report	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>	
LED Strategy	Yes
LED Policy Framework	No
Economic Profile	No
LED Projects	Yes
<b>Performance Management (Section 75(1)(d) of the MFMA)</b>	
Performance Agreements for employees appointed as per S57 of MSA	Yes

Table 44: Website Checklist



# Annual Performance Report

## CHAPTER 3

This chapter provides an overview of the key service achievements of the Municipality that came to fruition during 2023/24 in terms of the deliverables achieved compared to the key performance objectives and indicators in the Integrated Development Plan (IDP).

### 2.14 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 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 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.

# Annual Performance Report

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## 2.14.2 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.

## 2.14.3 Organisational Performance

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

## 2.14.4 Performance Management System Used in the Financial Year 2023/24

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### **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 2023/24 and the Annual Budget for 2023/24 were approved by Council on 31 May 2023. 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

# Annual Performance Report

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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 12 June 2023. 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 2024 and 4 April 2024 respectively.

## **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

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

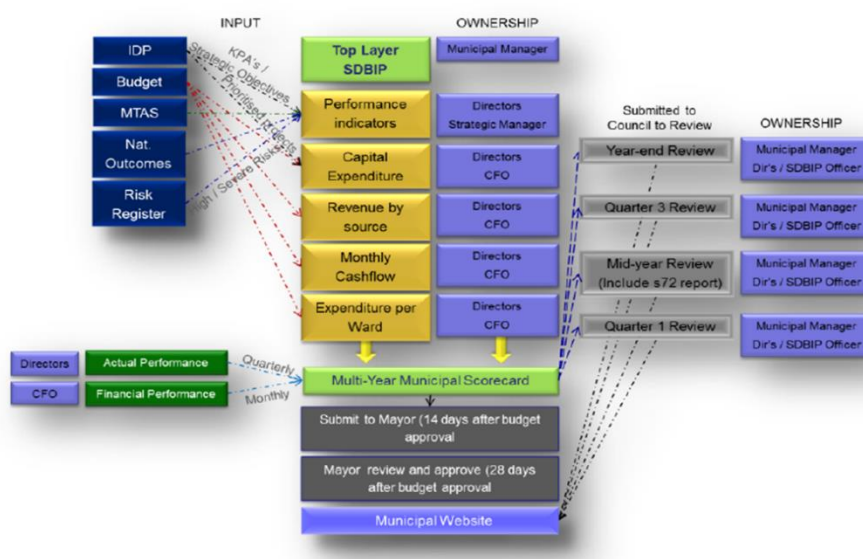


Figure 8: Components of the Municipal Scorecard (Top Layer)

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.

# Annual Performance Report

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## 2.14.5 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 12 June 2023
- 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 agreement of the Municipal Manager for 2023/24 financial year was signed on 22 June 2023.

The appraisal of the performance in terms of the signed agreements take place twice per annum as regulated. Informal mid-year performance evaluations for 2023/24 (1 July 2023 to December 2023) took place. The final appraisal for year-end will take place after the Annual Report 2023/24 has been tabled to Council.

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

### (c) **Individual Performance Management - All Staff**

The Municipal Staff Regulations (Regulation 890) and Guidelines (Regulation 891) promulgated on 20 September 2021 Chapter 4, Performance Management and Development System Section 32 (1) states that the Performance Management and Development System (PMDS) applies to all staff members of a municipality with the exclusion of certain staff members as stated by the subsections (a) – (d). However due to various issues raised by municipalities across the country, Department of Co-operative Governance and Traditional Affairs (CoGTA) issued Circular 12 on

# Annual Performance Report

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17 June 2022 which provided municipalities with an extension for implementation of Chapter 2 and 4 of these Regulations, until 1 July 2023.

The Municipality has developed/started the following process in order to ensure implementation:

## **Awareness**

During the awareness session, personnel were provided with an overview of the Regulation, specifically focusing on Chapter 4, which addresses Individual Performance and the requirements for a compliant performance agreement. Following this, one-on-one sessions were held with key personnel to guide the drafting of key performance indicators (KPIs) in accordance with the Regulations. This process involved developing KPIs and targets aligned with job key performance areas (KPAs), establishing performance standards, and identifying potential portfolios of evidence.

The relevant job descriptions (JDs) were used to extract 5-7 KPAs, with staff members working collaboratively with their managers to identify appropriate KPIs, targets, performance standards, and sources of evidence to effectively measure KPA performance. Additionally, users received system training to assist in drafting their performance agreements, as part of the implementation process for the 2023/24 financial year.

## **Policies reviewed**

- Rewards And Recognition Policy to be developed
- Moderation Committee to be established

## **Training**

The system training sessions were conducted in two phases. The first phase, held from 10 to 14 July 2023, focused on "How to create/compile a Performance Agreement." The second phase, which took place from 14 to 18 August 2023, concentrated on updating indicators, capturing actual performance, and monitoring performance, ensuring users were equipped with the necessary skills for effective performance management.

## **Mid-year Evaluations**

Mid-year Evaluations Training took place from 8 to 12 January 2024, focusing on "How to conduct a self and manager assessment." In accordance with Regulation 890, an amendment period followed the mid-year review process, allowing for adjustments to performance agreements. The Final Annual Reviews, set to begin on 1 July 2024, will be based on these revised and approved plans.

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## 2.15 STRATEGIC AND MUNICIPAL PERFORMANCE FOR 2023/24

### 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).

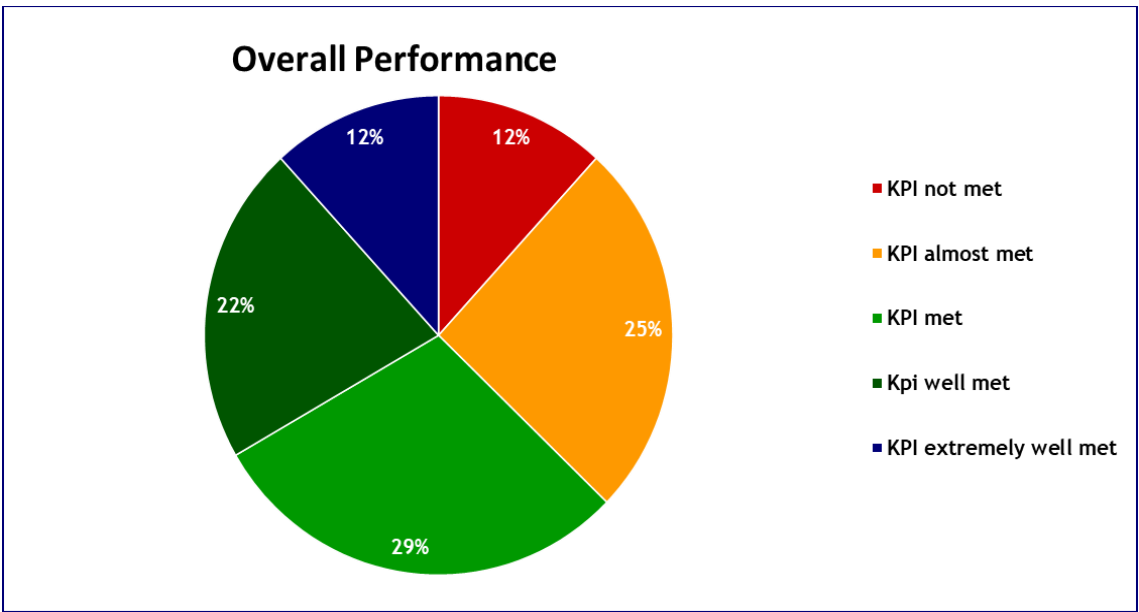
In the paragraphs below the performance achieved is illustrated against the Top layer SDBIP according to the IDP (strategic) objectives.

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%

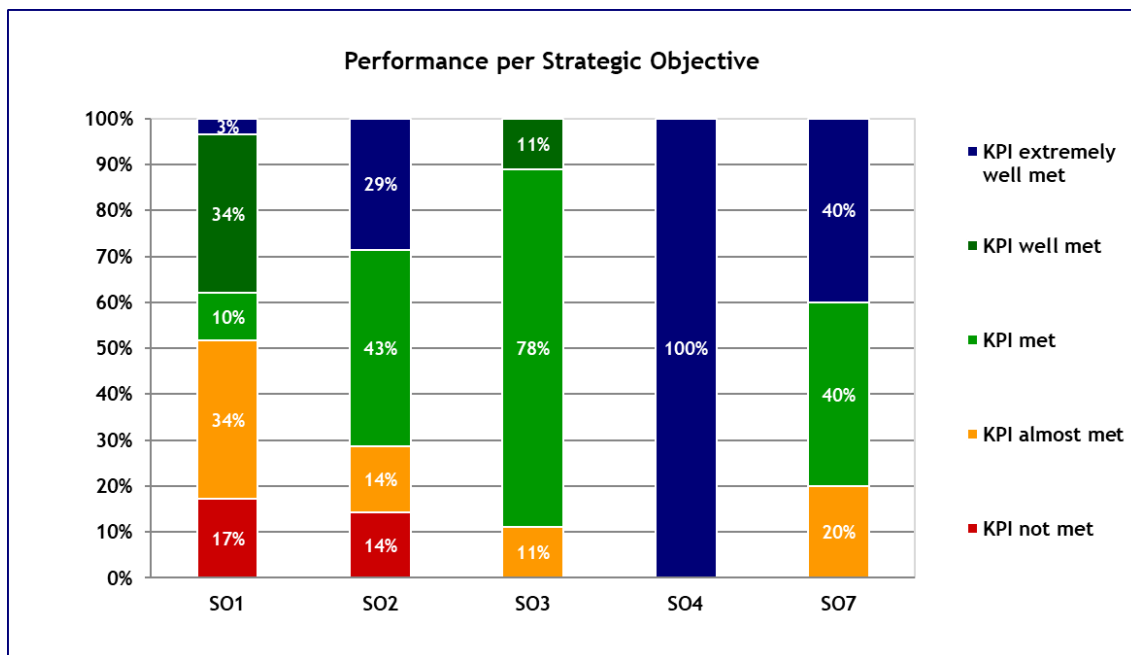
Figure 9: SDBIP Measurement Criteria

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





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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	Strive for Financial viability and economically sustainability	Promote 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	Facilitate social cohesion, safe and healthy communities	Development and transformation of the institution to provide a people-centred human resources and administrative service to citizens, staff and Council	
KPI Not Met	5	1	0	0	0	0	0	6
KPI Almost Met	10	1	1	0	0	0	1	13
KPI Met	3	3	7	0	0	0	2	15
KPI Well Met	10	0	1	0	0	0	0	11
KPI Extremely Well Met	1	2	0	1	0	0	2	6
Total	29	7	9	1	0	0	5	51

Table 45: Top Layer SDBIP per Strategic Objectives

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

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2022/23	Overall Performance 2023/24						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL8	Develop a Municipal Service Charter and submit to Council for approval by 31 March 2024	Service Charter developed and submitted to Council for approval by 31 March 2024	All	0	0	0	1	0	1	1	G
TL24	Number of 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 2024	Number of residential properties which are billed for water	All	5 830	6 034	6 034	6 011	6 011	6 011	5 504	O
Corrective Action		The financial system will be updated and aligned with the valuation roll categories to ensure that the systems reconcile. The reconciliation report will be submitted to the CFO by January 2025.									
TL25	Number of residential properties with electricity which are connected to the municipal electrical infrastructure network (credit and prepaid electrical metering) (Excluding Eskom areas) and billed for the service as at 30 June 2024	Number of residential properties billed credit meter and pre paid meters connected to the network.	All	6 659	8 396	8 396	8 492	8 492	8 492	8 558	G2
TL26	Number of residential properties with sanitation services which are connected to the municipal waste water (sanitation/sewerage) network and are billed for sewerage service, irrespective of the number of water closets (toilets) as at 30 June 2024	Number of residential properties which are billed for sewerage	All	5 047	5 148	5 148	5 154	5 154	5 154	5 032	O
Corrective Action		The financial system will be updated and aligned with the valuation roll categories to ensure that the systems reconcile. The reconciliation report will be submitted to the CFO by January 2025.									
TL27	Number of residential properties for which refuse is removed once per week and billed for the service as at 30 June 2024	Number of residential properties which are billed for refuse removal	All	5 859	5 953	5 953	6 003	6 003	6 003	5 784	O
Corrective Action		Target decreased due to corrections made (Data Cleansing) on the billing system.									
TL28	Provide free basic water to indigent households as per the requirements in the indigent policy as at 30 June 2024	Number of households receiving free basic water	All	1 675	2 302	2 302	1 675	1 675	1 675	1 320	O
Corrective Action		The municipality has commenced the recruitment process for filling the vacancy for the Snr Accountant Credit Control and Debt Collection. The recruitment process will be finalised by the end of January 2025. This will ensure a thorough review process of the indigent applications prior to capturing on the billing system. The Credit Control Officials keep records of all applications. The Snr Accountant Credit Control and Debt Collection to monitor and report on the applications on a monthly basis to the CFO.									

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Ref	KPI	Unit of Measurement	Ward	Actual performance for 2022/23	Overall Performance 2023/24						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL29	Provide free basic electricity to indigent households as per the requirements in the indigent policy as at 30 June 2024	Number of households receiving free basic electricity	All	1 546	2 264	2 264	1 565	1 565	1 565	1 223	○
<b>Corrective Action</b>		The municipality has commenced the recruitment process for filling the vacancy for the Snr Accountant Credit Control and Debt Collection. The recruitment process will be finalised by the end of January 2025. This will ensure a thorough review process of the indigent applications prior to capturing on the billing system. The Credit Control Officials keep records of all applications. The Snr Accountant Credit Control and Debt Collection to monitor and report on the applications on a monthly basis to the CFO.									
TL30	Provide free basic sanitation to indigent households as per the requirements in the indigent policy as at 30 June 2024	Number of households receiving free basic sanitation services	All	1 640	2 226	2 226	1 640	1 640	1 640	1 305	○
<b>Corrective Action</b>		The municipality has commenced the recruitment process for filling the vacancy for the Snr Accountant Credit Control and Debt Collection. The recruitment process will be finalised by the end of January 2025. This will ensure a thorough review process of the indigent applications prior to capturing on the billing system. The Credit Control Officials keep records of all applications. The Snr Accountant Credit Control and Debt Collection to monitor and report on the applications on a monthly basis to the CFO.									
TL31	Provide free basic refuse removal to indigent households as per the requirements in the indigent policy as at 30 June 2024	Number of households receiving free basic refuse removal	All	1 673	2 299	2 299	1 673	1 673	1 673	1 318	○
<b>Corrective Action</b>		The municipality has commenced the recruitment process for filling the vacancy for the Snr Accountant Credit Control and Debt Collection. The recruitment process will be finalised by the end of January 2025. This will ensure a thorough review process of the indigent applications prior to capturing on the billing system. The Credit Control Officials keep records of all applications. The Snr Accountant Credit Control and Debt Collection to monitor and report on the applications on a monthly basis to the CFO.									
TL32	The percentage of the municipal capital budget actually spent on capital projects as at 30 June 2024 (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 2024	All	55.34%	0%	20%	60%	90%	90%	77.63%	○
<b>Corrective Action</b>		The majority of the underspending is due to the Disaster Management Grant. The Grant was received in March. SCM procedures only started in April. Processes were delayed. The Municipality will apply for roll-over on the 30 August 2024.									
TL34	Spend 90% of the approved capital budget for the procurement of Fleet by 30 June 2024 (Actual amount spent /Total amount budgeted )X100	% of budget spent by 30 June 2024	All	0	0%	20%	60%	90%	90%	99.23%	G2
TL35	Spend 90% of the approved maintenance budget for Technical Services (Water, Waste Water, Electricity, Roads and Stormwater) by 30 June 2024 [(Actual expenditure on maintenance/total approved maintenance budget)x100]	% of budget spent by 30 June 2024	All	New Indicator for 2023/24	0%	20%	60%	90%	90%	80.48%	○

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Ref	KPI	Unit of Measurement	Ward	Actual performance for 2022/23	Overall Performance 2023/24						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
Corrective Action		A comprehensive implementation strategy for the execution of maintenance activities for the Directorate will be introduced in the new financial year.									
TL36	Spend 100% of the MIG grant by 30 June 2024 [(Actual expenditure on MIG funding received/total MIG funding received)x100]	% of budget spent by 30 June 2024	All	100%	20%	40%	70%	100%	100%	100%	G
TL37	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	93%	95%	95%	95%	95%	95%	90%	O
Corrective Action		New water filters project commencing in August 2024 to ensure compliance with SANS 241 by December 2024.									
TL38	Limit unaccounted for water to less than 15% by 30 June 2024 {(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold (incl free basic water) / Number of Kilolitres Water Purchased or Purified x 100}	% unaccounted water	All	27.52%	15%	15%	15%	15%	15%	30.91%	R
Corrective Action		A NRW (non-revenue water) Action Plan will be compiled to accurately account for all water. MISA Representatives will assist the Municipality in drafting the action plan.									
TL39	Limit unaccounted for electricity losses to less than 23% by 30 June 2024 (Number of Electricity Units Purchased and / or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and / or Generated) x 100	% unaccounted electricity	All	New Indicator for 2023/24	15%	15%	23%	23%	23%	8.69%	B
TL40	Spend 90% of the approved INEP budget for the bulk electricity upgrade in Clanwilliam construction of 66kV overhead line and substation by 30 June 2024 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2024	3	93.02%	0%	20%	60%	90%	90%	100%	G2
TL41	Spend 90% of the Water Services Infrastructure Grant (WSIG) budget to upgrade the Clanwilliam Waste Water Treatment Works by 30 June 2024 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2024	3	New Indicator for 2023/24	0%	20%	60%	90%	90%	100%	G2
TL42	Spend 90% of the budget approved for the	% of budget spent by 30 June 2024	2	78.07%	0%	20%	60%	90%	90%	98.29%	G2

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Ref	KPI	Unit of Measurement	Ward	Actual performance for 2022/23	Overall Performance 2023/24						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
	procurement of electricity equipment by 30 June 2024 [(Total actual expenditure on the project/ Approved budget for the project)x100]										
TL44	Spend 90% of the approved budget for the Upgrade of the sewerage network in Lamberts Bay by 30 June 2024 [(Total actual expenditure on the project/ Approved budget for the project)x100]	% of budget spent by 30 June 2024	5	New Indicator for 2023/24	0%	20%	60%	90%	90%	6.98%	R
<b>Corrective Action</b>		On completion of the AFS the expenditure was reclassified to maintenance as it could not be capitalized to the assist in terms of the unbundling process. Further upgrades planned in the new financial year 2024/25 to commence.									
TL45	Spend 90% of the approved ISUPG budget for the installation of basic services of Citrusdal Informal Settlements by 30 June 2024 [(Total actual expenditure on the project/ Approved budget for the project)x100]	% of budget spent by 30 June 2024	2	New Indicator for 2023/24	0%	20%	60%	90%	90%	100%	G2
TL46	Spend 90% of the approved ISUPG budget for the installation of basic services of Clanwilliam Khayelitsha by 30 June 2024 [(Total actual expenditure on the project/ Approved budget for the project)x100]	% of budget spent by 30 June 2024	3	New Indicator for 2023/24	0%	20%	60%	90%	90%	55.15%	R
<b>Corrective Action</b>		Only 55.15% was claimed in terms of the quantum allocated to the Municipality. The remaining budget will be spent in the new financial year by end of December 2024.									
TL47	Spend 90% of the budget approved for the upgrade of roads and stormwater infrastructure in Graafwater project by 30 June 2023 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2024	4	163.49%	0%	20%	60%	90%	90%	91.01%	G2
TL48	Spend 90% of the budget approved for the construction of a Multi Purpose Centre in Graafwater by 30 June 2024 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2024	4	26.33%	0%	20%	60%	90%	90%	99.98%	G2
TL49	Spend 90% of the budget approved for the refurbishment 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 2024	3	New Indicator for 2023/24	0%	20%	60%	90%	90%	100%	G2

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Ref	KPI	Unit of Measurement	Ward	Actual performance for 2022/23	Overall Performance 2023/24						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL54	Develop a Water and Sanitation Masterplan and submit to Council by 30 June	Water and Sanitation Masterplan submitted to Council by 30 June	All	New Indicator for 2023/24	0	0	0	1	1	1	G
TL55	Spend 90% of the approved budget for the new borehole scheme in Lamberts Bay by 30 June 2024 [(Total actual expenditure on the project/Approved capital budget for the project)x 100]	% of budget spend by 30 June 2024	5	New Indicator for 2023/24	0%	0%	60%	90%	90%	56.7%	R
Corrective Action		Project is in the planning phase. Roll-over application was submitted on the 15 July 2024. Expenditure will increase in the 2024/25 financial year subject to the approval of the roll-over application.									
TL56	Spend 90 % of the approved budget for the refurbishment of Wadriest Reservoir by 30 June 2024 [(Total actual expenditure on the project/ Approved capital budget for the project)x 100]	% of budget spend by 30 June 2024	5	New Indicator for 2023/24	0%	0%	60%	90%	90%	21.67%	R
Corrective Action		Project is in the planning phase. Roll-over application was submitted on the 15 July 2024. Expenditure will increase in the 2024/25 financial year subject to the approval of the roll-over application.									
TL57	Spend 90 % of the approved budget for the Sludge Pump by 30 June 2024 [(Total Actual expenditure on the project/ Approved capital budget for the project)x 100]	% of budget spend by 30 June 2024	2	New Indicator for 2023/24	0%	0%	60%	90%	90%	94.1%	G2

Table 46: Improve and sustain basic service delivery and infrastructure development

## b) Strive for financial viability and economically sustainability

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2022/23	Overall Performance 2023/24						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL9	Achieve an unqualified audit opinion for the 2022/23 financial year	Unqualified Audit opinion received for the 2022/23 financial year	All	1	0	0	1	0	1	1	G
TL18	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2024 [(Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / (Total Operating Revenue - Operating Conditional Grant) x 100]	% of debt coverage by 30 June 2024	All	12.63%	0%	0%	0%	45%	45%	9.13%	B
TL19	Financial viability measured in terms of the outstanding service debtors as at 30 June 2024 [(Total outstanding service debtors/annual	% of outstanding service debtors by 30 June 2024	All	14.25%	0%	0%	0%	9.20%	9.20%	16%	R

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Ref	KPI	Unit of Measurement	Ward	Actual performance for 2022/23	Overall Performance 2023/24						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
	revenue received for services)x 100]										
<b>Corrective Action</b>		LTFP approved by Council. Credit control measures are on-going. Recruitment process for the Accountant: Credit Control will commence in the new financial year. Revenue department currently busy with revenue enhancement (consolidation of services and rates accounts) project which will result in minimizing outstanding service debtors.									
TL20	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2024 [(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)]	Number of months it takes to cover fix operating expenditure with available cash	All	1	0	0	0	1	1	1.59	GB
TL21	100% of the Financial Management Grant spent by 30 June 2024 [(Total actual grant expenditure/Total grant allocation received)x100]	% of Financial Management Grant spent by 30 June 2024	All	97.68%	0%	20%	60%	100%	100%	100%	G
TL22	Submit the annual financial statements to the Auditor-General by 31 August 2023	Approved financial statements submitted to the Auditor-General by 31 August 2023	All	1	1	0	0	0	1	1	G
TL23	Achievement of a payment percentage of 92% by 30 June 2024 ((Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance + Bad Debts Written Off)/Billed Revenue) x 100	Payment % achieved by 30 June 2024	All	92.10%	70%	91%	92%	92%	92%	90.6%	O
<b>Corrective Action</b>		The Municipality had a Budget Funding plan in 2023/24. We tabled a funded budget subsequently. Cost containment measures have been implemented. We are in the process of appointing an Accountant Credit Control in 2024/25 financial year. The process will be concluded by 30 September 2024.									

Table 47: Strive for financial viability and economically sustainability

## c) Promote Good Governance, Community Development & Public Participation

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2022/23	Overall Performance 2023/24						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL1	Develop and submit the Risk Based Audit Plan for 2024/25 to the Audit Committee by 30 June 2024	Risk Based Audit Plan submitted to the Audit Committee by 30 June 2024	All	1	0	0	0	1	1	1	G

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Ref	KPI	Unit of Measurement	Ward	Actual performance for 2022/23	Overall Performance 2023/24						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL2	Compile and submit the final IDP to Council by 31 May 2024	Final IDP submitted to Council by 31 May 2024	All	1	0	0	0	1	1	1	G
TL3	Compile and submit the Strategic and Operational Risk Register to the Risk Committee by 31 December 2023	Strategic and operational risk register submitted to the Risk Committee by 31 December 2023	All	1	0	1	0	0	1	1	G
TL4	Report quarterly to Council on the implementation status of the Municipal Recovery Plan	Number of quarterly reports submitted	All	New Indicator for 2023/24	1	1	1	1	4	3	O
<b>Corrective Action</b>		Close out report will be tabled to Council 26 August 2024									
TL5	Report quarterly to Council on the implementation status of the Budget Funding Plan	Number of quarterly reports submitted	All	New Indicator for 2023/24	1	1	1	1	4	4	G
TL6	Report quarterly to Council on the implementation status of the Government Debt Relief Plan	Number of quarterly reports submitted	All	New Indicator for 2023/24	1	1	1	1	4	4	G
TL7	Conduct market testing for alternative service delivery mechanisms and submit findings with recommendations to Council by 30 June 2024	Findings and recommendations submitted to Council by 30 June 2024	All	New Indicator for 2023/24	0	0	0	1	1	1	G
TL15	Address 90% of ICT Audit findings by 30 June 2024	% of Audit findings addressed by 30 June 2024	All	0%	0%	0%	0%	90%	90%	93%	G2
TL17	Develop a Municipal Buildings Maintenance Plan and submit to Council by 30 June	Municipal Buildings Masterplan submitted to Council by 30 June	All	New Indicator for 2023/24	0	0	0	1	1	1	G

Table 48: Promote Good Governance, Community Development & Public Participation

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

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2022/23	Overall Performance 2023/24						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL53	Create 250 jobs opportunities in terms of the Expanded Public Works Programme (EPWP) by 30 June 2024	Number of job opportunities created in terms of EPWP by 30 June 2024	All	457	0	0	0	250	250	501	B

Table 49: Facilitate, expand and nurture sustainable economic growth and eradicate poverty



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## e) 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 2022/23	Overall Performance 2023/24						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL10	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 2024	Number of people employed as at 30 June	All	1	0	0	0	1	1	6	B
TL11	Develop an Human Resources Strategy and submit to Council for approval by 31 March 2024	Strategy developed and submitted to Council for approval by 31 March 2024	All	1	0	0	1	0	1	1	G
TL12	Review staff establishment and submit to Council for approval by 31 May 2024	Reviewed staff establishment submitted to Council for approval by 31 May 2024	All	0	0	0	0	1	1	1	G
TL13	The percentage of the municipality's personnel budget actually spent on implementing its workplace skills plan by 30 June 2024 [(Actual amount spent on training/total operational budget)x100]	% of the municipality's personnel budget on training by 30 June 2024 (Actual amount spent on training/total personnel budget)x100	All	0.71%	0%	0%	0%	0.15%	0.15%	0.29%	B
TL14	Spend 90% of the approved capital budget for IT by 30 June 2024 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2024	All	84.82%	0%	20%	60%	90%	90%	83.36%	O
Corrective Action		All laptops must be compatible with Microsoft 365. Old laptops and PC's will be replaced in the new financial year to ensure compatibility.									

Table 50: Development and transformation of the institution to provide a people-centred human resources and administrative service to citizens, staff and Council

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## 2.15.2 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.

## 2.15.3 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

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Municipal Function	Municipal Function Yes / No
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Stormwater management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste water and sewage disposal systems	Yes
<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 51: Functional Areas

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## 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.

### 2.16 WATER PROVISION

#### 2.16.2 Introduction to Water Services

Water is arguably the most essential and irreplaceable natural resource, vital for life, the environment, food production, hygiene, and power generation. The link between poverty reduction and improved water management is undeniable. According to Section 4B of the Constitution, local governments are responsible for water and sanitation services, including potable water supply systems and domestic wastewater and sewerage disposal systems. Basic water service is defined as 25 liters of potable water per day provided within 200 meters of a household.

Due to the drought situation in the Western Cape, Cederberg Municipality was compelled to assess its bulk water supply systems. With surface water provision at risk, the Municipality sought assistance from the Department of Local Government. The Department funded an all-town water reconciliation study to ensure water security for the next twenty years, leading to the exploration and initiation of borehole projects.

#### 2.16.3 Highlights: Water Services

The table below specify the highlight for the year:

Highlight	Description
Improve water quality in Clanwilliam	Sandfilters were installed in Clanwilliam WTW

Table 52: Water Services Highlights

#### 2.16.4 Challenges: Water Services

The table below specifies the challenges for the year:

Description	Actions to address
Inadequate funding to address infrastructure needs	Funding applications must be submitted to secure funding for the upgrade of infrastructure
Water quality failures from the Clanwilliam Dam. No infrastructure to purify drinking water to acceptable standards as per SANS 241	Funding application must be submitted to Department of Water and Sanitation (DWS) to upgrade the purification works

# Annual Performance Report

Description	Actions to address
The Citrusdal drinking water storage is inadequate and a 3ML reservoir is required	Funding application must be submitted to DWS for the construction of the 3ML reservoir
Inability to reduce water losses in all towns	Additional staff must be appointed to conduct repairs
Scarcity of ground water - Cederberg Area	Draft a Ground Water Monitoring Protocol to enhance the management of the water resource
Communities without water during power outages	The installation of permanent generators is required

Table 53: Water Services Challenges

## 2.16.5 Service Delivery Levels: Water Services

Below is a table that specifies the different water service delivery levels per household for the financial years 2022/23 and 2023/24:

Description	2022/23	2023/24
	Actual	Actual
<b>Household</b>		
<b>Water: (above minimum level)</b>		
Piped water inside dwelling	6 059	6 047
Piped water inside the yard (but not in dwelling)	1 410	N/A
Using public tap (within 200m from dwelling)	111	N/A
Other water supply (within 200m)	0	N/A
<b>Minimum Service Level and Above Sub-total</b>	<b>7 580</b>	<b>6 047</b>
<b>Minimum Service Level and Above Percentage</b>	<b>85.95%</b>	<b>100%</b>
<b>Water: (below minimum level)</b>		
Using public tap (more than 200m from dwelling)	1 239	N/A
Other water supply (more than 200m from dwelling)	0	N/A
No water supply	0	N/A
<b>Below Minimum Service Sub-total</b>	<b>1 239</b>	<b>0</b>
<b>Below Minimum Service Level Percentage</b>	<b>14.05%</b>	<b>0%</b>
<b>Total number of Households (formal and informal)</b>	<b>8 819</b>	<b>6 047</b>
<i>Include informal settlements</i>		

Table 54: Water Service Delivery Levels: Households

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## 2.16.6 Employees: Water Services

The following table indicates the staff composition for this division:

Employees: Water Services					
Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	12	23	12	11	47.8
4 - 6	2	8	2	6	75
7 - 9	9	10	7	3	30
10 - 12	1	2	1	1	50
13 - 15	0	0	0	0	0
16 - 18	0	1	0	1	100
19 - 20	0	0	0	0	0
<b>Total</b>	<b>24</b>	<b>44</b>	<b>22</b>	<b>22</b>	<b>50</b>

Table 55: Employees: Water Services

## 2.16.7 Capital: Water Services

The following table indicates the capital expenditure for this division:

Capital Projects	2023/24			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Repair of roof structure Jan Dissel	500 000.00	291 000.00	252 867.92	38 132.08
Vehicles	0.00	2 414 328.00	2 413 736.73	591.27
Water: Equipment Lambers Bay	0.00	32 480.00	32 479.81	0.19
Water Equipment Clanwilliam	0.00	114 243.00	114 242.55	0.45
Water: Equipment Graafwater and Elands Bay	0.00	24 836.00	24 835.63	0.37
Plant & Equipment Citrusdal	0.00	28 056.00	1 017.39	27 038.61
MWRG: New borehole scheme in Lamberts Bay	0.00	5 826 087.00	3 303 426.90	2 522 660.10
MWRG: Refurbishment of Wadriest Reservoir	0.00	1 130 435.00	245 000.00	885 435.00
MDRG: Upgrade Boschklouf Borehole	0.00	182 608.00	0.00	182 608.00
MDRG: Plant & Equipment	0.00	49 304.00	0.00	49 304.00

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Capital Projects	2023/24			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
MDRG: Upgrade main water pipe Citrusdal	0.00	173 913.00	0.00	173 913.00

Table 56: Capital Expenditure 2023/24: Water Services

## 2.17 WASTE WATER (SANITATION) PROVISION

The Department of Water and Sanitation (DWS) began regulating water services in South Africa in 2004 and has since strengthened this approach with the introduction of incentive-based regulatory programs, such as the Green Drop and the newly launched No Drop Certification. These programs have surpassed expectations, even gaining political attention. However, despite these positive efforts, Cederberg Municipality continues to struggle with meeting the standards set by local government. The challenge is compounded by the growing funding requirements to address infrastructure backlogs in the waste water sector, which worsen annually due to rising inflation. According to Section 4B of the Constitution, local governments are responsible for water and sanitation services, including potable water supply systems and domestic wastewater and sewerage disposal. Cederberg Municipality is focused on eradicating these backlogs to improve overall compliance in operations and management.

The tables information below gives a clear indication of the challenges encountered as well as the highlights achieved.

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

The table below specify the highlight for the year:

Highlight	Description
Clanwilliam Waste Water Treatment Works (WWTW)	<p>The upgrade and refurbishment of the WWTW in Cederberg Municipality is currently underway, funded by the Water Services Infrastructure Grant (WSIG) and the Municipal Infrastructure Grant (MIG). This project is designed to ensure that the WWTW can produce treated effluent that meets the stringent limits set by the DWS Standards, benefiting the residents of Clanwilliam and the surrounding environment.</p> <p>Scope of Refurbishment Works</p> <ol style="list-style-type: none"> <li>Upgrade the Inlet Works Flow Measurement Facility.</li> <li>Remedial works on existing WWTW equipment</li> <li>Installation of a small lime dosing facility to the pH correction at Inlet works</li> <li>Convert one of the existing sludge lagoons into a night storage pond</li> <li>Construct a temporary overflow weir at Inlet works</li> <li>Install a temporary submersible pump</li> </ol>

Table 57: Waste Water (Sanitation) Provision Highlights

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## 2.17.3 Challenges: Waste Water (Sanitation) Provision

The table below specifies the challenges for the year:

Description	Actions to address
Elands Bay oxidation ponds are overloaded	The appraisal requires that volume test on the oxidation ponds need to be done
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
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

Table 58: Waste Water (Sanitation) Provision Challenges

## 2.17.4 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 2022/23 and 2023/24:

Description	2022/23	2023/24
	Actual	Actual
<b>Household</b>		
<b>Sanitation/Sewerage: (above minimum level)</b>		
Flush toilet (connected to sewerage)	5 167	5 171
Flush Toilet (with Septic tank)	487	487
Chemical Toilet	278	N/A
Pit Toilet (ventilated)	0	N/A
Other toilet provisions (above minimum service level)	379	N/A
<b>Minimum Service Level and Above Sub-Total</b>	<b>6 311</b>	<b>5 658</b>
<b>Minimum Service Level and Above Percentage</b>	<b>76%</b>	<b>100%</b>
<b>Sanitation/Sewerage: (below minimum level)</b>		
Bucket Toilet	0	N/A
Other Toilet provisions (below minimum service level)	0	N/A
No toilet provisions	2 152	N/A
<b>Below Minimum Service Level Sub-Total</b>	<b>2 152</b>	<b>0</b>
<b>Below Minimum Service Level Percentage</b>	<b>24%</b>	<b>0%</b>
<b>Total number of households</b>	<b>8 463</b>	<b>5 658</b>

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



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## 2.17.5 Employees: Waste Water (Sanitation) Provision

The following table indicates the staff composition for this division:

Employees: Sanitation Services					
Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	7	1	6	83.3
4 - 6	3	4	2	2	50
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>8</b>	<b>15</b>	<b>7</b>	<b>8</b>	<b>53.3</b>

Table 60: Employees Waste Water (Sanitation) Provision

## 2.17.6 Capital: Waste Water (Sanitation) Provision

The following table indicates the capital expenditure for this division:

Capital Projects	2023/24			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Sewerage: Equipment Graafwater	0.00	5 520.00	5 520.00	0.00
Sewerage: Equipment Lamberts Bay	0.00	256 580.00	214 629.07	41 950.93
Sewerage: Equipment Elands Bay	0.00	14 560.00	14 560.00	0.00
Sewerage: Equipment Citrusdal	0.00	388 999.00	366 061.55	22 937.45
Upgrade sewerage network Citrusdal	1 000 000.00	4 870.00	4 870.00	0.00
Upgrade sewerage network Lamberts Bay	0.00	246 790.00	17 226.00	229 564.00
MIG: WWTW Clanwilliam	7 270 150.00	3 130 435.00	3 130 434.79	0.21
WSIG: WWTW Clanwilliam	4 347 827.00	3 913 043.00	3 913 043.46	-0.46
MDRG: Plant and Equipment	0.00	324 194.00	0.00	324 194.00
MDRG: Plant and Equipment	0.00	763 632.00	15 900.00	747 732.00
MDRG: Clanwilliam cut-off wall WWTW	0.00	782 608.00	0.00	782 608.00
Sludge beds	0.00	166 000.00	166 000.00	0.00

Table 61: Capital Expenditure 2023/24: Waste Water (Sanitation) Provision

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## 2.18 ELECTRICITY

### 2.18.2 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 have been finalised. The Department of Mineral Resources and Energy (DMRE) committed a contribution of 100% of the cost to build a 66 KV overline and a new 66/11kV substation. The project is in the execution phase with the projected end date being the end of 2024/2025 financial year.

#### 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.

### 2.18.3 Highlights: Electricity

The table below specifies the highlights for the year:

Highlights	Description
New 66/11kV substation and 66kV overhead line from Graafwater to Clanwilliam	100% Funding allocated for the Integrated National Electrification Programme (INEP)
Loadshedding Relief Grant: Generators	7 Generators were procured to assist during loadshedding

Table 62: Electricity Highlights

### 2.18.4 Challenges: Electricity

The table below specifies the challenges for the year:

Description	Actions to address
Loadshedding	Load curtailment on the municipal side to ensure safeguarding of the network
Illegal electrical connections	Investigate no purchase list received from Finance Department
Vandalism during loadshedding times	Police patrol areas during loadshedding

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Description	Actions to address
Generators being used outside its designed purpose	Generators must be monitored daily and only run when the dam levels drop below safe maintainable levels
Staff working extensive overtime hours	Rotate staff and give enough time-off to rest

Table 63: Electricity Challenges

## 2.18.5 Service Delivery Levels: Electricity

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

Households		
Description	2022/23	2023/24
	Actual	Actual
	No.	No.
Households		
Electricity	8 695	8 613
Total number of households	6 059	6 047

Number of debtors according to the billing system

Table 64: Electricity Service Delivery Levels

## 2.18.6 Employees: Electricity

The following table indicates the staff composition for this division:

Employees: Electricity Services					
Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	6	15	6	9	60
7 - 9	2	3	2	1	33.3
10 - 12	6	7	7	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>15</b>	<b>26</b>	<b>16</b>	<b>10</b>	<b>38.4</b>

Table 65: Employees: Electricity Services

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## 2.18.7 Capital: Electricity

The following table indicates the capital expenditure for this division:

Capital Projects	2023/24			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Machinery and equipment	1 750 000.00	1 016 573.00	999 223.26	17 349.74
Vehicles	0.00	1 928 948.00	1 785 621.08	143 326.92
MDRG: Clanwilliam dam wall control panel	0.00	1 634 783.00	259 095.30	1 375 687.70
MDRG: Clanwilliam substation and perimeter fence	0.00	1 919 131.00	0.00	1 919 131.00
Loadshedding Relief Grant: Generators	0.00	1 391 304.00	1 318 630.00	72 674.00

Table 66: Capital Expenditure 2023/24: Electricity

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

### 2.19.2 Introduction to Waste Management

The fragmented and uncoordinated approach to pollution and waste management, combined with insufficient resources to implement and monitor existing legislation, has led to unacceptably high levels of pollution and waste in South Africa. Improvements are expected through the implementation of various policies, legislation, standards, and guidelines, along with the promotion of cooperative governance as outlined in the Constitution. These efforts aim to eliminate fragmentation, duplication, and lack of coordination.

Pollution and waste management are not solely the government's responsibility; the private sector and civil society also play crucial roles. Establishing partnerships between the government and private sector is essential for sustainable and effective pollution and waste management. Likewise, fostering cooperative governance between state organs is vital due to the cross-cutting nature of pollution and waste management.

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## 2.19.3 Highlights: Waste Management

The table below specifies the highlights for the year:

Highlights	Description
Specialised Waste Vehicles	Through MIG funding, two Tractor-Loader-Backhoes (TLBs), one Front End Loader, one Refuse Compactor Truck, and one Cage Truck have been procured
Regional Bulk Waste Disposal Facility	Construction of the Regional Bulk Waste Disposal Facility began in January 2024

Table 67: Waste Management Highlights

## 2.19.4 Challenges: Waste Management

The table below specifies the challenges for the year:

Description	Actions to address
Illegal dumping on road reserves	Awareness and cleaning campaigns should be conducted
Insufficient refuse equipment and vehicles	Budgetary provision must be made to replace old equipment and trucks

Table 68: Waste Management Challenges

## 2.19.5 Service Delivery Levels: Waste Management

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

Description	Households	
	2022/23	2023/24
	Actual	Actual
	No.	No.
<b><i>Solid Waste Removal: (Minimum level)</i></b>		
Removed at least once a week	5 859	5 997
<b><i>Minimum Service Level and Above sub-total</i></b>	<b>5 859</b>	<b>5 997</b>
<b><i>Minimum Service Level and Above percentage</i></b>	<b>100%</b>	<b>100%</b>
<b><i>Solid Waste Removal: (Below minimum level)</i></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
No rubbish disposal	0	0
<b><i>Below Minimum Service Level sub-total</i></b>	<b>0</b>	<b>0</b>

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Description	Households	
	2022/23	2023/24
	Actual	Actual
	No.	No.
<i>Below Minimum Service Level percentage</i>	0%	0%
<b>Total number of households</b>	<b>5 859</b>	<b>5 997</b>

Table 69: Waste Management Service Delivery Levels

## 2.19.6 Employees: Waste Management

The following table indicates the staff composition for this division:

Employees: Solid Waste Services					
Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	19	27	23	4	14.8
4 - 6	4	6	3	3	50
7 - 9	5	8	5	3	37.5
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	1	0	1	100
19 - 20	0	0	0	0	0
<b>Total</b>	<b>28</b>	<b>42</b>	<b>31</b>	<b>11</b>	<b>26.1</b>

Table 70: Employees: Waste Management

## 2.19.7 Capital: Waste Management

Capital Projects	2023/24			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Vehicles	5 000 000.00	5 391 676.00	5 391 675.56	0.44
MIG: Specialised Waste Vehicles	0.00	7 605 654.00	7 605 005.04	648.96

Table 71: Capital Expenditure 2023/24: Waste Management

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## 2.20 HOUSING

### 2.20.2 Introduction to Housing Subsidy Programmes: Be Homewise

Introduction to Housing Subsidy Programmes: Be Homewise

#### Housing need:

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

#### 1. Subsidy Housing Opportunity: If you earn R0-R3 500 pm

If your household income falls between R0 and R3 500 per month, you may qualify for one of the following government housing subsidies and programmes. - Individual Subsidy

To access one of these subsidies, you must be registered on the housing demand database at the municipality where you live.

##### A. What You Get

This subsidy can be used once if your application is successful. The subsidy amount is up to R202 888.

You can use this subsidy to:

- Buy an existing house
- Buy a house on a plot and plan basis
- Finished an incomplete house, if not previously subsidised

##### B. What You Need To Qualify

You qualify for this subsidy if:

- You registered on the housing demand database (waiting list) at your municipality.
- You have been on the municipal housing demand database for a minimum of 5 years.
- You are a South African Citizen or have a permanent residency permit.
- You are 18 years or older.
- You are married or living with a partner.
- You are single or divorced and have proven financial dependants permanently living with you.
- Your maximum monthly household income is R3 500 or less before deductions
- You or your partner have never owned property or in exceptional cases where the final order of divorce leaves all immovable property to one person, a person owns a portion e.g. A fifth of a property bequeathed in an estate and where a person owns a vacant stand bought without State assistance

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- Please take note that priority will be given to applicants who are either aged or have special needs (e.g. disabled persons), 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.
- There is a limited budget, therefore assistance is provided on a first come first serve basis. Applications can be submitted from 1 April and will be accepted until the funding is depleted.

## C. How To Apply

Applications and enquiries can be made directly at the Western Cape Department of Infrastructure, Human Settlements Branch

- Visit 27 Wale Street, Cape Town
- Call the helpdesk on 027 483 6488
- Email: [human.settlements@westerncape.gov.za](mailto:human.settlements@westerncape.gov.za)
- Visit the departmental website: [www.westerncape.gov.za/dept/human-settlements](http://www.westerncape.gov.za/dept/human-settlements)

Or

- Visit your nearest Human Settlements office in your municipality for support.

## 2. Subsidy Housing Opportunity: If you earn R3 501-R7 500 pm

If your household income falls between R3 501-R7 500 per month, you may qualify for one of the following government housing subsidies and programmes- Integrated Residential Development Programme (IRDP)

To access one of these subsidies, you must be registered on the housing demand database at the municipality where you live.

With this subsidy, you will be able to get land, service a site and build a home. It is provided to Local Municipalities.

## 3. Subsidy Housing Opportunity: If you earn R7 501-R22 000 pm

If your household income falls between R7 501 and R22 000.00 per month, you may qualify for the Finance Linked Individual Subsidy Programme (FLISP).

This program has changed and is now called *Help Me Buy Me a Home*.

The implementation of the revised policy will be done on a phased 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 is supported with a Pension-backed loan (partial through a bank or directly correlated to pension)
- Is not required to contribute since the subsidy covers the selling price; no loan is needed



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- “Rent to Buy” Agreement: Delayed Outcome (same as standard FLISP Application-when ready to buy, with clarification on the source of co-funding)

This subsidy can be used by first-time home buyers to purchase a property. It can also be used to purchase a serviced residential stand or build a new house on a residential stand that you already own.

Subsidies are provided depending on your income bracket and can be used to reduce your monthly loan repayments.

This will make your home loan more affordable. The subsidy amount is based on your household income and ranges between R30 001- R130 505. Once your home loan is approved. You can apply directly to the Western Cape Department of Infrastructure for a FLISP.

## C. Individual Subsidy Opportunities

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

Description	Number
Full Subsidy	4 313
FLISP	15

Table 72: Housing Needs

### 2.20.3 Highlights: Housing

The table below specifies the highlights for the year:

Highlights	Description
Marking and counting of structures per informal settlement	100% of structures marked and counted in all informal settlements of the municipal area
Update and register applicants on the Western Cape Housing Demand Database (WCHDDDB)	Outreach programmes were conducted in all towns to update existing and register new applications
Handling outstanding title deeds in Elands Bay	Verification conducted to determine the beneficiaries of municipal houses to complete transfers

Table 73: Housing Highlights

### 2.20.4 Challenges: Housing

The table below specifies the challenges for the year:

Description	Actions to address
Growth of Informal Settlements	<ul style="list-style-type: none"><li>▪ Increase monitoring and strengthen controls through support from Law Enforcement Unit and the Informal Settlement Officer</li><li>▪ Update the Informal Settlement Register and provision of residential cards to legal occupants</li></ul>

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Description	Actions to address
	<ul style="list-style-type: none"> <li>Regular spot checks by law enforcement and informal settlement officers</li> </ul>
Lack of bulk infrastructure	<ul style="list-style-type: none"> <li>Report the need for bulk infrastructure to the Technical Department to activate housing projects</li> <li>Submit the Housing Pipeline to the Provincial Department and indicate bulk infrastructure support required</li> </ul>

Table 74: Housing Challenges

## 2.20.5 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	4 313
Service Site	R3 501 - R7 000	1 014
FLISP	R7 001 - R22 000	715
Other	Above R22 000	71

Table 75: Applicants on the Western Cape Housing Demand Database

Financial year	Number of housing units on waiting list	% Housing waiting list increase/(decrease)
2022/23	5 835	(0.46%)
2023/24	6 113	4%

Table 76: Housing Waiting List

## 2.20.6 Employees: Housing

The following table indicates the staff composition for this division:

Employees: Housing					
Job Level	2022/23	2023/24			
	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	3	2	40
13 - 15	1	1	1	0	0
16 - 18	0	0	0	0	0

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Employees: Housing					
Job Level	2022/23	2023/24			
	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>5</b>	<b>7</b>	<b>4</b>	<b>3</b>	<b>42.8</b>

Table 77: Employees: Housing

## 2.20.7 Capital: Housing

Capital Projects	2023/24			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
ISUPG: Clanwilliam Khayelitsha Water Services	5 731 000.00	1 813 000.00	999 833.00	813 167.00
ISUPG: Citrusdal Riverview	0.00	2 063 000.00	2 063 000.00	0.00

Table 78: Capital Expenditure 2023/24: Housing

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## 2.21 FREE BASIC SERVICES AND INDIGENT SUPPORT

### 2.21.2 Introduction

The table shows the percentage of indigent households with access to free basic municipal services. According to the Municipality's approved Indigent Policy, all households earning less than R4,200 per month are entitled to receive these services as prescribed by national policy. Additionally, the table details the total number of indigent households and other households that received free basic services over the past two financial years.

The table below indicates the total number of households received free basic services in 2023/24 financial year:

Financial year	Number of indigent 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	%
2022/23	2 397	2 250	94%	2 397	100%	2 330	97%	2 395	99.9%
2023/24	2 172	1 787	82%	2 172	100%	2 127	98%	2 171	100%

Table 79: 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
2022/23	2 250	50	187 875	8 440	200	4 506 960	0	0	0
2023/24	1 787	50	171 364	6 826	200	4 193 621	0	0	0

Table 80: 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
2022/23	2 397	6	139 218	6 059	20	1 173 022
2023/24	2 172	6	132 666	3 875	20	788 950

Table 81: Free Basic Water Services to Indigent Households

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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
2022/23	2 330	0	454 140	5 167	234	1 209 078
2023/24	2 127	0	453 540	3 044	256	779 264

Table 82: 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
2022/23	2 395	30	72 281	5 999	156	935 844
2023/24	2 171	136	295 256	3 826	169	646 594

Table 83: Free Basic Refuse Removal Services to Indigent Households

Financial Performance 2023/24: Cost to Municipality of Free Basic Services Delivered				
Services Delivered	2022/23	2023/24		
	Actual	Budget	Adjustment Budget	Actual
	R			
Water	3 380 014.00	3 629 000.00	3 116 000.00	3 127 077.88
Sanitation	5 127 554.00	5 787 000.00	4 969 000.00	4 979 734.94
Electricity	91 411.00	114 000.00	2 303 000.00	2 318 500.45
Refuse	818 512.00	902 000.00	3 232 000.00	3 241 660.77

Table 84: Cost to Municipality of Free Basic Services Delivered

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## COMPONENT B: ROAD TRANSPORT

### 2.22 ROADS AND STORMWATER

#### 2.22.2 Introduction to Roads and Stormwater

The Cederberg Municipality has a Pavement Management System (PMS) compiled in 2013, with the latest PMS currently in draft format and expected to be approved in the 2024/25 financial year. This document includes network-level proposals for the maintenance of paved and unpaved roads based on methodical visual assessments of each road section. There is a significant backlog in the network, requiring upgrading or rehabilitation due to historically limited funding for infrastructure operations and maintenance.

The total length of the paved network is 114.4 km, with the average condition rated as poor to very poor, and over 50% of the surfacing falling into the poor to very poor category. The unpaved network spans 18 km, with an average condition rated as fair to poor.

Securing sufficient funding for road maintenance is challenging; thus, the Municipality relies on the Expanded Public Works Programme (EPWP) for most annual maintenance programs. In the 2023/24 financial year, approximately R764,486.38 was spent from municipal funds on road and stormwater maintenance and rehabilitation.

The Municipality's stormwater drainage network includes 31 km of piped systems and open drainage channels. Citrusdal's drainage system is the poorest, but this issue is being addressed through the MIG project, which is upgrading roads and stormwater infrastructure. The existing stormwater system is maintained and cleaned annually to prevent blockages and flooding.

#### 2.22.3 Highlights: Roads and Stormwater

The table below specifies the highlights for the year:

Highlights	Description
Pothole repairs	Repair 7 057 potholes in municipal area all towns
Roads infrastructure	Slurry seal ( 12751 m2 ) in Citrusdal and Lamberts Bay

Table 85: Roads and Stormwater Highlights

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## 2.22.4 Challenges: Roads and Stormwater

The table below specify the challenge for the year:

Description	Actions to address
Roads identified during IDP sessions in all towns	The Municipality is facing financial constraints and needs to apply for funding to reconstruct roads
Roads infrastructure	Budgetary provision must be made to address aging infrastructure

Table 86: Roads and Stormwater Challenge

## 2.22.5 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)
2022/23	18	0	0	4
2023/24	18	0	0	5

Table 87: 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)
2022/23	114.4	0	0	0.3	10
2023/24	114.4	0	0	2.1	25

Table 88: 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
2022/23	0	0	0	0	0	597
2023/24	0	0	0	0	0	764 486

Table 89: Cost of Construction/Maintenance of Roads

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## 2.22.6 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)
2022/23	31	0	0	20
2023/24	31	0	0	31

Table 90: Stormwater Services Delivery Statistics

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

Stormwater Measures			
Year	New	Upgraded	Maintained
2022/23	0	0	338 998
2023/24	0	0	322 948

Table 91: Stormwater Services Delivery Statistics - Financials

## 2.22.7 Employees: Roads and Stormwater

The following table indicates the staff composition for this division:

Employees: Roads and Stormwater					
Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	25	35	25	10	22.8
4 - 6	0	6	0	6	100
7 - 9	9	13	8	5	38.4
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>39</b>	<b>59</b>	<b>38</b>	<b>21</b>	<b>35.5</b>

Table 92: Employees: Roads and Stormwater



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## 2.22.8 Capital: Roads and Stormwater

Capital Projects	2023/24			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Upgrade stormwater system	300 000.00	18 550.00	18 549.76	0.24
Roads: Equipment Clanwilliam	0.00	42 790.00	37 173.91	5 616.09
Vehicles	0.00	1 157 201.00	1 157 200.44	0.56
Vehicles	0.00	391 304.00	391 304.00	0.00
MDRG: Upgrade roads	0.00	956 523.00	0.00	956 523.00

Table 93: Capital Expenditure 2023/24: Roads and Stormwater

## COMPONENT C: PLANNING AND LOCAL ECONOMIC DEVELOPMENT (LED)

### 2.23 PLANNING

#### 2.23.2 Introduction to Planning

Land use planning for Cederberg Municipality is managed by the Department of Town Planning, Building Control, and Environmental Management. Despite facing challenges from previous financial years due to budget constraints and the post-pandemic economy, the department has continued to deliver necessary services. This has been possible with the help of additional personnel secured for the 2023/24 financial year.

#### 2.23.3 Highlights: Planning

The table below specifies the highlights for the year:

Highlights	Description
Stability of office space	The department has a dedicated office space at the main offices in Clanwilliam to serve the public, which has remained consistent
Implementation of the Cederberg Spatial Development Framework 2023-2027	The department has successfully finalized and implemented the new Spatial Development Framework (SDF) for the Municipality, as approved and adopted by the Council
Continuous mentoring of the two building inspectors	Two building inspectors have been appointed and retained in the department to facilitate the municipality's legislative requirements. They are continuously mentored by the Building Control Officer
Achieved service delivery targets	The department achieved its service delivery targets and timeframes despite the lack of resources

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Highlights	Description
Stable top management	The stability of top management has improved service delivery for the department by reducing delays in important decision-making on applications

Table 94: Planning Highlights

## 2.23.4 Challenges: Planning

The table below specifies the challenges for the year:

Description	Actions to address
Lack of human resources	Provision must be made to appoint a Town Planner Intern and/or a professional Town Planner. Currently, the department manager is handling responsibilities for his post, town planning, and GIS
Department personnel challenges in 2023/24	The department lost an admin clerk and a Senior Technical Assistant due to resignations. Two temporary staff members have been secured to fill these roles until funding for the permanent positions is obtained
Budgetary constraints	Budgetary provisions must be made to procure the necessary equipment, i.e. office stationery, training, and attendance of workshops
Addressing law enforcement procedures has been challenging in the absence of dedicated, qualified officials for environmental, land development, and building control	Employ dedicated law enforcement officials and develop clear, concise standard operating procedures (SOPs). Additionally, implement an amnesty period for unauthorized building activities

Table 95: Planning Challenges

## 2.23.5 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	
	2022/23	2023/24	2022/23	2023/24
Planning application received	0	1	44	40
Applications not approved	0	0	1	0
Applications closed	0	1	1	1
Applications outstanding at year end	0	0	6	2
Awaiting DEA&DP decision	0	0	0	0

Table 96: Applications for Land Use Development

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Type of service	2022/23	2023/24
Building plans application processed	188	181
Total surface (m <sup>2</sup> )	25 126	31 721
Approximate value	R155 612 550	R206 186 500
Residential extensions	16 725	16 312
Land use applications processed	41	48

Table 97: Additional Performance Town Planning and Building Control

## 2.23.6 Employees: Planning

The following table indicates the staff composition for this division:

Employees: Planning					
Job Level	2022/23	2023/24			
	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	1	2	0	2	100
10 - 12	4	5	4	1	20
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>5</b>	<b>3</b>	<b>37.5</b>

Table 98: Employees: Planning

## 2.23.7 Capital: Project Management and Town Planning

Capital Projects	2023/24			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
MIG: Upgrade roads and stormwater infrastructure	0.00	1 724 366.00	1 724 365.51	0.49
MIG: Upgrade roads and stormwater infrastructure -Graafwater	4 937 547.00	323 978.00	-6 260.59	330 238.59
MIG: Ph2 Upgrade roads and stormwater infrastructure - Graafwater	0.00	466 777.00	466 776.73	0.27

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Capital Projects	2023/24			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Upgrade roads and stormwater infrastructure-Graafwater own	0.00	1 233 000.00	1 226 185.49	6 814.51
MIG PMU Equipment	0.00	625.00	625.00	0.00

Table 99: Capital Expenditure 2023/24: Project Management and Town Planning

## 2.24 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

### 2.24.2 Introduction to LED

Local Economic Development (LED) is a cross-cutting discipline that relies on the collaboration of all municipal departments to be successful. The Municipality recognizes the importance of LED as a key driver of growth and poverty alleviation and is committed to creating an enabling environment for economic growth and development.

The Cederberg Municipality's LED Unit is diligently working to build institutional capacity and establish the necessary policies and procedures to ensure that LED becomes an integral part of the Municipality's operations.

### 2.24.3 Highlights: LED

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

Highlights	Description
Establishment of Business Network Committee	The Business Network Committee facilitates communication and collaboration between SMMEs, formal businesses, and local government, fostering local economic stimulation and growth
Contractor Development	Panel of small contractors established- still ongoing
SMME Development	Various training sessions held to capacitate SMME's
Bulk Infrastructure	Ongoing infrastructure upgrades
National Project Participation	Local contractors and other SMMEs have been awarded contracts on several key projects, including the South African National Roads Agency SOC Ltd (SANRAL) project, the Clanwilliam Dam upgrade, and the IPPs, such as the Eskom Battery Storage Project and the Paleisheuvel Solar Plant Project
Skills Training for unemployed youth	Through Corporate Social Investment, (CSI) initiatives, brickmaking training was successfully conducted, equipping 12 unemployed youth with the skills and machines needed to produce and sell their brick products
Establishment of a Management Committee for Elands Bay Fish Market	A committee was established within the Elands Bay fishing community to manage the Elands Bay Fish Market

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Highlights	Description
PACA process and review of LED strategy	A Participatory Appraisal of Competitive Advantage (PACA) process was successfully completed to gather input from the business community for the review of the LED strategy and the investment strategy
Footprint of institutions	Coordinated sessions have been established to facilitate regular visits from institutions such as Small Enterprise Development Agency (SEDA), National Development Agency (NDA), and Department of Economic Development and Tourism (DEDAT), aimed at supporting the development of SMMEs

Table 100: LED Highlights

## 2.24.4 Challenges: LED

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

Description	Actions to address
Budget Constraints	Budget provision must be made for LED projects
Lack of Communication	Sessions should be held to improve communication between big businesses and the Municipality
Lack of bulk infrastructure to support investment and economic development	The Municipality is in the process of selling vacant land, and consideration should be given to using the proceeds to improve bulk infrastructure

Table 101: Challenges LED

## 2.24.5 Employees: LED

he following table indicates the staff composition for this division:

Employees: LED					
Job Level (T-grade)	2022/23	2023/24			
	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	1	0	1	100
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>7</b>	<b>7</b>	<b>6</b>	<b>1</b>	<b>14.2</b>

Table 102: Employees: LED

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## 2.25 TOURISM

### 2.25.2 Introduction to Tourism

The Cederberg Integrated Tourism Development and Marketing Strategy, developed in 2013, continues to guide all activities of the department. Tourism remains a key sector for growth and job creation in the local economy. The strategy will focus on enhancing existing tourism products and developing new, sustainable tourism offerings to create an optimal mix that attracts targeted economic interest.

Five strategic objectives were identified:

Strategic Objective	Sub-Objective
<b>1. Tourism Development:</b> <ul style="list-style-type: none"> <li>Unlock the full tourism potential of the Cederberg by developing a diverse range of new and existing tourism products, experiences, and events that meet visitor needs and maximize income. This will contribute to Local Economic Development (LED) and overall growth.</li> <li>Expand tourism activities throughout the Cederberg region to increase tourism traffic over time.</li> </ul>	<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</p> <p><b>1.2 Catalytic Tourism Development Projects:</b> Identify and develop new and existing portfolios of high-profile catalytic tourism products, designed and built by the locals, that will enhance the profile of the Cederberg as a national tourism destination of note</p> <p><b>1.3 Extreme Sports Tourism:</b> Develop 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 is to focus on certain events becoming an annual occurrence, thus contributing to guaranteed LED growth</p>
<b>2 Tourism Transformation:</b> Create conditions conducive to 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 the empowerment of upcoming entrepreneurs, within the sector	<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>
<b>3 Tourism Marketing:</b> Market and promote the Cederberg area as a world-class, year-round, outdoor-adventure and cultural tourism destination	<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>

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Strategic Objective	Sub-Objective
	<b>3.3 Information Portal:</b> Develop a comprehensive information portal where users can access current and accurate regional tourism and related information <b>3.4 Communication Strategy:</b> Develop an internal and external communication plan to improve lines of communication to fast-track tourism development
<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	<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 <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
<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	<b>5.1 Tourism Research Intelligence:</b> Set up a reliable tourism research and intelligence unit linked to a monitoring and evaluation component <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

Table 103: Tourism Strategic Objectives

## 2.25.3 Highlights: Tourism

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

Highlights	Description
Elands Bay Museum	<p>The Elands Bay Museum is committed to interpreting, presenting, and promoting the prospective World Heritage Site of "The Emergence of Modern Humans: The Pleistocene Occupation Sites of South Africa," with a specific focus on Diepkloof Rock Shelter. The Museum aims to enhance local heritage conservation by raising awareness and providing interpretation to both the local community and visitors. To achieve this, the Museum will collaborate closely with the Department of Cultural Affairs and Sport and local heritage organizations, functioning as an interpretation center for the World Heritage Site.</p> <p>Additionally, the Museum will serve as a public space for the local community, as well as South African and international visitors. Its permanent exhibition will include elements of local history, including oral histories. The Museum will also offer curriculum-based educational programs, linked to various traveling exhibitions, to learners at Engelbrecht NGK Primary School</p>
Elands Bay Cave	San and Khoe rock art can be found in a cave approximately 5 km from Elands Bay town. This site, occupied over 80,000 years ago during the Middle Stone Age, features rock paintings of eland, smaller antelope, and other animals
Diepkloof Rock Shelter archaeological site on Portion 3 of the Farm Groote Drift No. 5, Elands Bay	Diepkloof Rock Shelter, located between Elands Bay and Redelinghuys with a view of the Verlorenvlei wetland, is now a UNESCO World Heritage site. The shelter features rock art

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Highlights	Description
	and an exceptional collection of over 400 intentionally engraved ostrich eggshells, dated to around 60,000 years ago
Change Makers Hub	The Clanwilliam Legacy Garden is making significant progress in beautifying the town. All ecobrick benches are complete, and mosaicking of the benches is underway. Additional plants have been added to the Legacy Garden, and maintenance of the existing spekboom plants is ongoing. Propagation of spekboom continues at the Ramskop Nursery Garden
Veldblomme Vereniging	The Ramskop Nature Reserve will be open to the public from the start of the festive season, allowing visitors to view a variety of plant species. The Wild Flower Church in Clanwilliam will also be open to the public during the festive season. Additionally, the Ramskop Tea Garden will be operational in conjunction with the flower season

Table 104: Highlights: Tourism

## 2.25.4 Challenges: Tourism

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

Description	Actions to address
Tourism awareness	Start awareness campaigns amongst local communities
Shortage of structures	Form more tourism structures amongst local communities
Training	Initiate local training on tourism development

Table 105: Challenges: Tourism

## 2.25.5 Employees: Tourism

The following table indicates the staff composition for this division:

Employees: Tourism					
Job Level (T-grade)	2022/23	2023/24			
	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



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Employees: Tourism					
Job Level (T-grade)	2022/23	2023/24			
	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>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>

Table 106: Employees: Tourism

## COMPONENT D: COMMUNITY AND SOCIAL SERVICES

### 2.26 LIBRARIES

#### 2.26.2 Introduction to Libraries

The purpose of a library is multifaceted and includes:

**Access to Information:** Libraries provide access to a wide range of information resources, including books, journals, databases, and digital media, supporting research, learning, and knowledge acquisition.

**Educational Support:** They support educational development by offering resources for students of all ages, from early childhood through higher education, and by providing tutoring, literacy programs, and educational workshops.

**Community Hub:** Libraries serve as community centers where people can gather, participate in events, and engage in cultural, recreational, and social activities. They often host programs, lectures, and activities that benefit the community.

**Preservation of Knowledge:** Libraries preserve and protect valuable collections of books, documents, and other materials, ensuring that historical and cultural knowledge is maintained for future generations.

**Equity of Access:** They offer free or low-cost access to information and resources, ensuring that all members of the community, regardless of their socioeconomic status, have the opportunity to learn and grow.

**Fostering Literacy and Learning:** Libraries promote literacy and lifelong learning by offering reading programs, educational resources, and tools for self-directed learning.

**Digital Access:** Many modern libraries provide access to digital resources and technology, including computers, the internet, and electronic books, bridging the digital divide for those who may not have these resources at home.

Overall, libraries play a crucial role in supporting education, fostering community engagement, and providing equitable access to information and resources.

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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
Elandskloof	1 Satellite Library

Table 107: Libraries in the Municipal Area

## 2.26.3 Highlights: Libraries

The table below specify the highlight for the year:

Highlight	Description
Upgrade at Citrusdal Library	During the winter season, the area in front of the Citrusdal Library was very wet. To address this, a canopy was installed to provide coverage and protection

Table 108: Libraries Highlights

## 2.26.4 Challenges: Libraries

The table below specifies the challenges for the year:

Description	Actions to address
Budget constraints	The Municipality needs to provide additional funding
Maintenance of library buildings	A report was submitted to administration on maintenance requirements

Table 109: Libraries Challenges

## 2.26.5 Service Statistics for Libraries

The table below specifies the service statistics for the year:

Service statistic	2022/23	2023/24
Library members	7 644	4 331
Books circulated	2 428 571	63 408
Exhibitions held	520	216

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Service statistic	2022/23	2023/24
Internet users	589	720
New library service points or wheelie wagons	0	0
Children programs	8	11
Visits by school groups	215	275
Book group meetings for adults	1	1
Primary and Secondary Book Education Sessions	5	8

Table 110: Service Statistics for Libraries

## 2.26.6 Employees: Library Services

The following table indicates the staff composition for this division:

Employees: Libraries					
Job Level	2022/23	2023/24			
	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	10	14	10	4	28.5
7 - 9	0	0	0	0	0
10 - 12	7	7	5	2	28.5
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>17</b>	<b>21</b>	<b>15</b>	<b>6</b>	<b>28.5</b>

Table 111: Employees: Libraries

## 2.26.7 Capital: Library Services

Capital Projects	2023/24			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
MRFG: Office Furniture/Equipment	0.00	13 000.00	10 021.25	2 978.75

Table 112: Capital Expenditure 2023/24: Libraries

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## 2.27 CEMETERIES

### 2.27.2 Introduction to Cemeteries

Cemeteries are vital to our communities, serving as spaces that preserve heritage and honor the memory of those who have passed. They hold deep significance for families, offering a place of reflection and comfort as they remember their loved ones. Recognising this, Cederberg Municipality is committed to maintaining cemeteries as sacred spaces where the community can cherish and honor the departed.

### 2.27.3 Highlights: Cemeteries

The table below specify the highlight for the year:

Highlight	Description
Clean cemeteries	Cemetery cleaning programs were conducted

Table 113: Cemeteries Highlights

### 2.27.4 Challenges: Cemeteries

The table below specify the challenge for the year:

Description	Actions to address
Shortage of workers to keep cemeteries in a clean and good state	More EPWP workers are required to assist in the cleaning of cemeteries

Table 114: Cemeteries Challenges

### 2.27.5 Service Statistics for Cemeteries

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

Type of service	2022/23	2023/24
Burials	325	312

Table 115: Service Statistics for Cemeteries

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## 2.27.6 Capital: Community and Social Services

Capital Projects	2023/24			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Construction Of Multi-Purpose Centre (Phase 1) Graafwater	0.00	38 600.00	38 512.26	87.74
MIG: Construction of Multi-Purpose Centre (Phase 1) Graafwater	2 575 709.00	491 573.00	491 573.00	0.00

Table 116: Capital Expenditure 2023/24: Community and Social Services

## COMPONENT E: SECURITY AND SAFETY

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

### 2.28 LAW ENFORCEMENT

The Law Enforcement Section in a municipality is tasked with enforcing local by-laws and regulations within its area of jurisdiction.

#### 2.28.2 Highlights: Law Enforcement

The table below specify the highlight for the year:

Highlight	Description
Pro-active Traffic and Law Enforcement	<p>The Department conducted an increased number of K78 roadblocks and vehicle checkpoints (VCPs) in the Cederberg area. On the N7, this effort was bolstered by integrated support from Provincial Traffic, following the establishment of a satellite traffic office in Clanwilliam, which has significantly enhanced traffic visibility. Law Enforcement Officers actively participated in these operations.</p> <p>Additionally, integrated operations were carried out in collaboration with SAPS and the Department of Home Affairs to ensure compliance among Spaza shops and address issues related to illegal foreign immigrants</p>

Table 117: Law Enforcement Highlights

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## 2.28.3 Challenges: Law Enforcement

The table below specifies the challenges for the year:

Description	Actions to address
Lack of skills and professional training	There is a significant lack of skills and professional training among our Law Enforcement Officers. To address this, it is planned to send them to an accredited traffic training college to obtain a Traffic Officer's Diploma. Many of our officers are inexperienced and require comprehensive skills development training to perform their duties effectively
Limited patrol vehicles and safety equipment	Budgetary provision must be made to procure additional vehicles and safety equipment
After hours services/ Overtime working hours	Budgetary provisions must be made for overtime, as we face challenges when officers are required to take off overtime hours during the week

Table 118: Law Enforcement Challenges

## 2.28.4 Service Statistics for Law Enforcement

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

Details	2022/23	2023/24
Number of by-law infringements attended	420	305
Number of officers in the field on an average day	7	8
Number of officers on duty on an average day	7	8

Table 119: Service Statistics for Law Enforcement

## 2.28.5 Employees: Law Enforcement

The following table indicates the staff composition for this division:

Employees: Law Enforcement					
Job Level	2022/23	2023/24			
	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	9	13	9	5	38.4
10 - 12	0	0	0	0	0
13 - 15	0	1	0	1	100

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Employees: Law Enforcement					
Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>9</b>	<b>14</b>	<b>9</b>	<b>6</b>	<b>42.8</b>

Table 120: Employees: Law Enforcement

## 2.29 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

### 2.29.2 Highlights: Traffic Services

The table below specifies the highlights for the year:

Highlights	Description
Proactive Traffic Enforcement	The Municipality has adopted a proactive approach to traffic enforcement by conducting increased roadblocks across all towns in the Cederberg region, as well as on the N7 highway. The collaboration with local SAPS, Provincial Traffic, and the Citrusdal Community Policing Forum (CPF) has been instrumental in these efforts, leading to the impoundment of nearly 95 illegal taxis during the financial year. Additionally, increased patrols in CBD areas have enhanced visibility and safety
Road Safety Education	A road safety track was opened in Lamberts Bay in partnership with the Provincial Road Safety Department. Ongoing efforts include distributing pamphlets and engaging with parents, caregivers, and schools to promote pedestrian safety awareness. As part of our Road Safety Programme, a Daantjie Kat Day was successfully hosted in Lamberts Bay, Citrusdal, and Clanwilliam, involving various schools. This initiative was conducted in collaboration with SAPS, Fire and Disaster services, and other stakeholders, contributing to its success

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Highlights	Description
Patrol vehicles	The current fleet is in good condition, with two additional patrol vehicles set to be received under the speed contract. These vehicles are equipped with blue lights, markings, and sirens to enhance effective traffic enforcement
Engagement with CPF's	The Municipality has increased its engagement with Community Policing Forums (CPF's) and other stakeholders, holding monthly meetings to foster collaboration. Over the financial year, a more integrated and effective relationship between CPF stakeholders and the Protection Services Department has led to improved cooperation and more effective responses to various community safety challenges
Citrusdal Driving Licence Testing Centre (DLTC) Compliance	An inspection by the National and Provincial Inspectorate was conducted at the Citrusdal and Clanwilliam Driving License Testing Centres (DLTC) and Vehicle Testing Stations (VTS) in accordance with the prescribed requirements of the National Road Traffic Act, Act 93 of 1996. The identified findings during this inspection were promptly addressed. The corrective measures taken are considered a significant achievement, as they have led to permanent rectifications that will ensure the department's compliance in future inspections
Implementation of Integrated Transport Plan (ITP)	The ITP document has been corrected and finalised by both the department and the Department of Mobility. It now requires presentation to the Council for approval. The Municipality has engaged in discussions with the Provincial Regulatory Entity (PRE) regarding the implementation of the District and Local Municipal ITPs, including a workshop on public transport legislation. Additionally, the application and process for splitting the Clanwilliam and Citrusdal Taxi Association, which is supported by the Municipality, were also discussed with the PRE

Table 121: Traffic Services Highlights

## 2.29.3 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	Some of the current vehicles are in running condition but needs mechanical attention. Budget constraints and delays in SCM processes cause the vehicles to be parked for long periods of time before repairs to vehicles can be done
Inadequate uniforms and protective clothing for officers	Uniforms and protective clothing must be procured but due to current financial constraints procurement cannot be finalised
After hours services	Budgetary provision must be made to pay officers standby and overtime which are limited due to budget constraints
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



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Challenges	Actions to address
Traffic Offences	More traffic officials are required to conduct traffic law enforcement
Impound facility for vehicles and stray animals	Budgetary provisions are being made, and assistance has been requested from the Provincial Government Department of Transport and Public Works, as well as the Department of Agriculture
Traffic Fines Section	The previous speed camera service provider, UTS, was terminated by mutual agreement due to non-performance. We are currently in the final stage of appointing a new service provider through the tender process. Additionally, challenges with the Department of Justice have arisen concerning the reduction and write-off of fines. According to Circular 10/212/3-223/2017 of the NPA, section 54 summonses older than 18 months and section 56 (5) warrants of arrest older than 2 years must be written off. These write-offs, dictated by conditions beyond the Municipality's control, negatively impact the revenue from traffic fines

Table 122: Traffic Services Challenges

## 2.29.4 Additional Performance Service statistics for Traffic Services

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

Details	2022/23	2023/24
Motor vehicle licenses processed	22 776	41 711
Learner driver licenses processed	1 544	937
Driver licenses processed	907	771
Driver licenses issued	871	3 020
Fines issued for traffic offenses	1 006	698
Speed offences	N/A	4 564
R-value of fines collected	886 480	3 245 200
Roadblocks held	53	47
Complaints attended to by Traffic Officers	255	298
Awareness initiatives on public safety	8	18
Number of road traffic accidents during the year	230	266
Number of officers in the field on an average day	5	5
Number of officers on duty on an average day	5	5

Table 123: Service Statistics for Traffic Services

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## 2.29.5 Employees: Traffic Services

The following table indicates the staff composition for this division:

Employees: Traffic Services					
Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	2	2	0	0
4 - 6	4	4	4	0	0
7 - 9	3	8	2	6	75
10 - 12	4	8	4	4	50
13 - 15	1	1	1	0	0
16 - 18	1	1	0	1	100
19 - 20	0	0	0	0	0
<b>Total</b>	<b>15</b>	<b>24</b>	<b>13</b>	<b>11</b>	<b>45.8</b>

Table 124: Employees: Traffic Services

## 2.30 FIRE SERVICES AND DISASTER MANAGEMENT

### 2.30.2 Introduction to Fire Services and Disaster Management

A memorandum of understanding between the West Coast District Municipality (WCDM) and Cederberg Municipality delegates the responsibilities of the Municipality, particularly concerning the structural phase and related fire and rescue services, to WCDM. The Fire and Disaster Department of Cederberg Municipality is composed of a single Disaster and Fire Officer, with additional support provided by the district municipality.

### 2.30.3 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 on Fire and Disaster Management were conducted at roadblocks and Vehicle Check Points (VCPs)
Random visits at Spaza Shops, Supermarkets	During operations with Law Enforcement, sporadic visits were conducted to verify Spaza Shops' compliance with the Disaster Management Act (DMA)

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Highlights	Description
WCDM Satellite Radio Hub	A satellite radio hub was installed at the Clanwilliam Traffic Office to facilitate direct communication with the disaster management office in Moorreesburg and ensure smooth operations. The system was upgraded to counter the effects of load shedding. The second phase, still in progress, will involve the distribution of hand-held radio devices for communication with the WCDM
Fire Services Function Transfer to WCDM	The WCDM is set to perform the disaster management fire-fighting function on behalf of Cederberg Municipality; however, the transfer of services and current personnel has not yet been finalized. Plans are in place to expand the Fire Service to Lamberts Bay and Citrusdal, which will significantly improve the efficiency and effectiveness of fire services for the public

Table 125: Fire Services and Disaster Management Highlights

## 2.30.4 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	Provisions have been made to appoint additional staff and to procure extra vehicles and equipment. A firefighter and additional staff members have been permanently appointed
Accessibility to roads in informal settlements for inspections (Riverview - Citrusdal, Khayelitsha- Clanwilliam)	Efforts are underway to control and monitor the growth of informal settlements. The close proximity of shacks increases the risk of fire spreading, and their locations often make it difficult for fire trucks to access them in emergencies

Table 126: Fire Services and Disaster Management Challenges

## 2.30.5 Service Statistics for Fire Services and Disaster Management

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

Details	2020/21	2022/23	2023/24
Total fires attended in the year	209	190	200
Average turnout time - urban areas	2 hours	2 hours	2hours
Average turnout time - rural areas	3 hours	3 hours	3hours

Table 127: Service Statistics for Fire Services

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## 2.30.6 Employees: Fire Services and Disaster Management

The following table indicates the staff composition for this division:

Employees: Fire Services and Disaster Management					
Job Level	2022/23	2023/24			
	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
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

## 2.30.7 Capital: Public Safety

The following table indicates the capital expenditure for this division:

Capital Projects	2023/24			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Inverter Clanwilliam Traffic	0.00	20 000.00	0.00	20 000.00
Inverter Citrusdal Traffic	0.00	20 000.00	0.00	20 000.00

Table 129: Capital Expenditure 2023/24: Public Safety

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## COMPONENT F: SPORT AND RECREATION

### 2.31 SPORT AND RECREATION

#### 2.31.2 Introduction to Sport and Recreation

Sport and recreation continue to be important components of social and community well-being. The 2023/24 financial year was characterized by significant events that took place in the municipal area and a number of previously peripheral codes have become popular.

#### 2.31.3 Highlights: Sport and Recreation

The table below specifies the highlights for the year:

Highlights	Description
Cederberg Sport and Recreation Council	The Sport and Recreation Council was established to promote community participation and encourage active citizenship
Boland Rugby Top 12	The Boland Rugby Top 12 Tournament was hosted to promote social cohesion and boost sports tourism

Table 130: Sport and Recreation Highlights

#### 2.31.4 Challenges: Sport and Recreation

The table below specifies the challenges for the year:

Description	Actions to address
Soccer fields and netball fields for Clanwilliam	Funding applications submitted to MIG
Fencing of Citrusdal sports field and upgrade of soccer/cricket field	Funding applications submitted to MIG
Upgrade of Graafwater sport field	Funding applications submitted to MIG
Fencing and pavilion of Elands Bay	Funding applications submitted to MIG
Pavilion for Lamberts Bay and upgrade of sports hall	Funding applications submitted to MIG
Vandalism of sport facilities	A Sports Council has been established to oversee the management of sports facilities, and a by-law is being drafted to support and regulate this initiative

Table 131: Sport and Recreation Challenges

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## 2.31.5 Service Statistics for Sport and Recreation

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

Type of service	2022/23	2023/24
<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	53	53
R-value collected from utilization of sport fields	R58 851.09	R71 688.15
<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	R8 587.97	R 201.13

Table 132: Service Statistics for Sport and Recreation

## 2.31.6 Employees: Resorts and Caravan Parks

The following table indicates the staff composition for this division:

<b>Employees: Resorts and Caravan Parks</b>					
Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	11	18	8	10	55.5
4 - 6	4	6	3	3	50
7 - 9	0	1	0	1	100
10 - 12	0	0	0	0	0
13 - 15	1	1	0	1	100
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>16</b>	<b>26</b>	<b>11</b>	<b>15</b>	<b>57.6</b>

Table 133: Employees: Resorts and Caravan Parks

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## 2.31.7 Employees: Parks and Gardens

The following table indicates the staff composition for this division:

Employees: Parks and Gardens					
Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	26	37	29	8	21.6
4 - 6	0	6	0	6	100
7 - 9	6	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>32</b>	<b>52</b>	<b>35</b>	<b>17</b>	<b>32.6</b>

Table 134: Employees: Parks and Gardens

## 2.31.8 Capital: Sport and Recreation

The following table indicates the capital expenditure for this division:

Capital Projects	2023/24			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Office Furniture/Equipment Resorts Lamberts Bay	0.00	49 600.00	32 438.96	17 161.04
Office Furniture/Equipment Resorts Clanwilliam	0.00	50 000.00	39 165.11	8 513.15

Table 135: Capital Expenditure 2023/24: Sport and Recreation

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## COMPONENT G: CORPORATE POLICY OFFICES AND OTHER SERVICES

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

### 2.32 EXECUTIVE AND COUNCIL

This component includes Executive Office (Mayor, Councillors and Municipal Manager).

#### 2.32.2 Highlights: Executive and Council

The table below specifies the highlights for the year:

Highlights	Description
Appointment of the Municipal Manager	Council appointed a Municipal Manager to initiate and promote good governance
Appointment of Chief Financial Officer	Recruitment process for top layer, i.e. Chief Financial Officer concluded at Council Level
Appointment of Director : Support Services	Recruitment process for top layer, i.e. Director: Support Services concluded at Council Level
Financial Turnaround Plan	Council initiated action to address financial crisis through initiation of a turnaround plan. That will promote good governance and increase consumer confidence in Council

Table 136: Executive and Council Highlights

#### 2.32.3 Employees: Administrative Services

The following table indicates the staff composition for this division:

Employees: Administrative Services					
Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	5	7	5	2	28.5
4 - 6	5	8	5	3	37.5
7 - 9	2	2	1	1	50
10 - 12	2	5	2	3	40
13 - 15	0	1	1	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0



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Employees: Administrative Services					
Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Total	14	23	14	9	39.1

Table 137: Employees: Administrative Services

## 2.32.4 Employees: Thusong Centres

The following table indicates the staff composition for this division:

Employees: Thusong Centres					
Job Level	2022/23	2023/24			
	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	3	4	1	3	75
7 - 9	0	0	0	0	0
10 - 12	0	1	0	1	100
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	4	6	2	4	66.6

Table 138: Employees: Thusong Centres

# Annual Performance Report

## 2.33 FINANCIAL SERVICES

The Finance Department oversees the Municipality's financial strategy and overall financial management, ensuring fiscal stability. It is also responsible for maintaining compliance with relevant legislation, regulations, governance practices, and the Municipal Finance Management Act (MFMA).

### 2.33.2 Highlights: Financial Services

The table below specify the highlight for the year:

Highlight	Description
Data Cleansing/ Revenue Enhancement	The Municipality completed an in-house data cleansing project to compare the billing and valuation roll, ensuring that all billings are in line with the valuation roll
Debt Relief	The Municipality has applied to be part of the debt relief program and has been approved. It is monitored monthly to qualify for the first third to be written off in 2024

Table 139: Financial Services Highlights

### 2.33.3 Challenges: Financial Services

The table below specifies the challenges for the year:

Description	Actions to address
Implementing Municipal Standard Chart of Accounts (mSCOA)	An mSCOA roadmap /project plan has been compiled and closely adhered to. Remaining differences are addressed. The mSCOA steering committee has been re-established
Increase in bad debt	Council approved a new Credit Control Policy. Credit control procedures are applied diligently every month
Unfunded budget	Provincial Treasury assessed that the budget is unfunded. An amended budget funding plan has been tabled and approved. The Municipality has been monitored during the 2023/24 financial year. The Municipality has however tabled a funded budget for the 2024/25 financial year

Table 140: Financial Services Challenges

# Annual Performance Report

## 2.33.4 Debt Recovery

The following table represents the debt recovery for the financial years 2022/23 and 2023/24:

Details of the types of account raised and recovered	Debt Recovery					
	2022/23			2023/24		
	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	70 102 568.00	70 368 582.00	101%	72 893 172.00	65 964 042.00	90.49%
Electricity	111 280 000.00	109 428 910.00	98%	74 398 248.00	73 029 531.00	98.16%
Water	29 223 289.00	29 828 578.00	102%	31 081 489.00	31 836 302.00	102.43%
Sanitation	12 851 000.00	12 931 042.00	101%	14 201 697.00	11 381 997.00	80.15%
Refuse	14 163 000.00	14 146 000.00	100%	12 437 756.00	10 607 962.00	85.29%
Interest	0.00	0.00	0%	9 841 347.00	3 801 118.00	38.62%

Table 141: Debt Recovery

## 2.33.5 Employees: Financial Services

The following table indicates the staff composition for this division:

Employees: Finance					
Job Level	2022/23	2023/24			
	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	7	9	9	0	0
7 - 9	10	11	11	0	9
10 - 12	12	14	11	3	14.2
13 - 15	5	8	5	3	37.5
16 - 18	2	2	2	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>36</b>	<b>44</b>	<b>38</b>	<b>6</b>	<b>13.6</b>

Table 142: Employees: Financial Services

# Annual Performance Report

## 2.33.6 Capital: Finance and Administration

The following table indicates the capital expenditure for this division:

Capital Projects	2023/24			
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget
Office Furniture/Equipment	0.00	2 500.00	2 125.00	375.00
Finance: Inverters	0.00	86 195.00	85 384.00	811.00
Office Furniture and Equipment	0.00	35 000.00	26 597.14	8 402.86
Office Furniture: Fleet	0.00	1 305.00	1 304.35	0.65
IT Equipment and Software	1 165 000.00	1 165 000.00	1 108 650.77	56 349.23

Table 143: Capital Expenditure 2023/24: Finance and Administration

## 2.34 HUMAN RESOURCE SERVICES

### 2.34.2 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 2022/23 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,

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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 2023/24 financial year, the Cederberg Municipality has filled 31 vacancies, of which 29 were external and 2 were internal appointments. 29 of the appointees were permanent appointments and 9 were appointed on contract, whilst 35 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. The aim of the policy is to streamline the appointment of personnel whilst keeping within the legal framework as enshrined in the various pieces of labour related legislation.

## (iii) Labour relations

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

- Health and Safety

Occupational Health & Safety 2023/24			
Injuries	Compensation for Occupational Injuries and Diseases (COID) Applications	Disabling Injuries	Schedule 8 Investigations (Ill Health)
Temp	3	0	0
Perm	17	3	1

Table 144: Occupational Health and Safety 2023/24

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 decrease from 25 employees injured in the 2022/23 financial year compared to 20 employees in the 2023/24 financial year and were reported to the Compensation for Occupational Injuries and Diseases (COID).

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## 2.34.3 Highlights: Human Resource Services

The table below specifies the highlights for the year:

Highlights	Description
Individual Performance Management	Processes were started to implement individual performance management to the lowest level in the organisation
HR Policies	Human Resources Policies were aligned with the Local Government Staff Regulations, 2021, consulted with labour and approved by Council
HR Strategy	A Human Resources Strategy for Cederberg Municipality was developed, consulted with labour and approved by Council
Organisational Structure	Cederberg was selected as one of five municipalities to be supported with the development of an organisational structure with provincial government funding

Table 145: Human Resources Highlights

## 2.34.4 Challenges: Human Resources

The table below specifies the challenges for the year:

Challenges	Actions to address
Organisational structure	The lack of funding to develop an organisational structure and inclusion into the provincial project at a late stage means that Cederberg along with the five other municipalities will implement the organisational structure and all other processes related to the same at a later stage than planned
Vacancies	Due to the Municipality's financial position, the vacancy rate was higher than expected
Local Government Municipal Staff Regulations, 2021	The implementation of the regulations remains a challenge due to the regulated changes and additional requirements that places strain on the staff in the Human Resources Department

Table 146: Human Resources Challenges

## 2.34.5 Employees: Human Resources

The following table indicates the staff composition for this division:

Employees: Human Resource Services					
Job Level	2022/23	2023/24			
	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

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Employees: Human Resource Services					
Job Level	2022/23	2023/24			
	Employees	Posts (approved)	Employees (posts filled)	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
4 - 6	0	0	0	0	0
7 - 9	0	1	0	1	100
10 - 12	1	5	4	1	20
13 - 15	1	0	0	0	0
16 - 18	1	1	0	1	100
19 - 20	0	0	0	0	0
<b>Total</b>	<b>3</b>	<b>7</b>	<b>4</b>	<b>3</b>	<b>42.8</b>

Table 147: Employees: Human Resources

## 2.35 INFORMATION AND COMMUNICATION TECHNOLOGY SERVICES

### 2.35.2 Introduction to Information and Communication Technology (ICT) Services

The ICT department is responsible for ensuring that all technical systems within the Municipality function smoothly and efficiently. Daily backups are performed and securely stored for safekeeping. Support for municipal and financial systems is outsourced, while the ICT department maintains the network and computer hardware. Over the past five years, the Municipality has seen significant growth, expanding from 50 to nearly 200 devices.

### 2.35.3 Highlights: ICT Services

The table below specifies the highlights for the year:

Highlights	Description
Network and network security upgraded	Network infrastructure has been upgraded to allow reliable cloud services, increased network stability and upgraded network security measures
Upgrading of server architecture	Security vulnerabilities and weaknesses in functionality addressed by upgrading our server architecture
5-Year ICT Strategic Plan Approved	ICT 5-year strategic plan has been approved by Council for implementation starting 2024/25
Appointment of network service provider	A network service provider has been appointed with a signed service level agreement, ensuring a high quality support service and minimal downtime

Table 148: ICT Highlights

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## 2.35.4 Challenges: ICT Services

The table below specifies the challenges for the year:

Description	Actions to address
Electricity supply to data centres and municipal offices	Exploring solar alternatives to supplement electrical outages
Human Resources	The need for permanent staff is ever growing. The budget should allow for all vacancies on the newly approved organogram to be filled
Outdated Productivity Software still in use	Outdated software leads to security vulnerabilities. Funding has been secured to enter into a Microsoft Enterprise Agreement
Lack of disaster recovery	After recent network upgrades, disaster recovery options are available to implement in 2024/25 financial year

Table 149: ICT Challenges

## 2.35.5 Employees: ICT Services

The following table indicates the staff composition for this division:

Employees: ICT Services					
Job Level	2022/23	2023/24			
	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	1	0	0
13 - 15	1	2	1	1	50
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	1	4	2	2	50

Table 150: Employees: ICT Services



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## 2.36 LEGAL SERVICES

Legal Services plays a crucial role in the Municipality by finalizing agreements and providing legal input on various matters such as policies, contracts, legislation, and by-laws. The section also offers legal advice to different departments, ensuring compliance with the Constitution and relevant legislation. Furthermore, Legal Services is responsible for distributing new legislation and case law to keep the Municipality informed and compliant.

### 2.36.2 Highlights: Legal Services

The table below specifies the highlights for the year:

Highlights	Description
Communicate relevant contemporary court cases and legal commentaries to officials pertaining to topical issues in local government	Legal-related commentaries pertaining to relevant case law, current legal topics, workshops, training sessions etc
Legal support to officials in all directorates and assistance to private legal practitioners-local / national government officials	Legal documentation pertaining to lease agreements, MOU's, legal case law, constitutional and High Court judgements, by-laws, (BICL) agreements etc
Skills transfer to officials in their respective sections with relevant topical issues in their fields	Dissemination of legal information in relation to general contractual issues, interpretation of statutes, legal contractual issues, legal writing etc

Table 151: Legal Services Highlights

### 2.36.3 Challenges: Legal Services

The table below specifies the challenges for the year:

Description	Actions to address
No dedicated person to assist with contract management and general legal research of current topical municipal issues in the local government sector	Sufficient budget should be made available for such vacancies
Budget and capacity constraints remain a serious challenge in the organisation	Sufficient budget allocation to strengthen the division by filling posts for a legal officer and legal assistants for the optimal functioning of the division

Table 152: Legal Services Challenges

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## 2.36.4 Employees: Legal Services

The following table indicates the staff composition for this division:

Employees: Legal Services					
Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	0	0	0	0	0
10 - 12	0	0	0	0	0
13 - 15	0	1	0	1	100
16 - 18	1	1	1	0	0
19 - 20	0	0	0	0	0
Total	1	2	1	1	50

Table 153: Employees: Legal Services

## 2.37 PROCUREMENT SERVICES

Procurement Services typically involves the following key functions:

**Sourcing and Acquisitions:** Identifying and selecting suppliers or vendors to provide goods or services that meet the organization's needs.

**Tendering and Contracts:** Managing the process of issuing tenders, evaluating bids, and negotiating contracts to ensure fair and competitive procurement.

**Vendor Management:** Maintaining relationships with suppliers, ensuring compliance with contract terms, and addressing any issues related to vendor performance.

**Inventory Management:** Overseeing inventory levels, ensuring that stock is replenished in a timely manner, and managing the storage of goods.

**Cost Management:** Identifying opportunities for cost savings, negotiating prices, and managing budgets to ensure cost-effective procurement.

**Compliance:** Ensuring that procurement practices adhere to legal and regulatory requirements, as well as internal policies and procedures.

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**Quality Assurance:** Ensuring that the goods and services procured meet the required quality standards and specifications.

**Reporting and Analysis:** Monitoring and reporting on procurement activities, analyzing data to improve processes, and providing insights for strategic decision-making.

**Ethics and Transparency:** Upholding ethical standards in procurement processes, ensuring transparency, and preventing conflicts of interest.

These functions collectively help organizations manage their procurement processes efficiently and effectively, ensuring that they obtain the necessary goods and services in a timely and cost-effective manner.

## 2.37.2 Highlights: Procurement Services

The table below specifies the highlights for the year:

Highlights	Description
Compliance	Cederberg implemented the amended Supply Chain Management Regulations, as approved on December 14, 2023. The SCM Policy and Preferential Procurement Policy were reviewed by the Provincial Treasury to ensure compliance with all legislative requirements
Open and effective competition	All procurement laws, policies, practices, and procedures are readily accessible to all parties involved in the procurement process. The process is conducted in an open and transparent manner, with reasons provided for decisions in accordance with current legislation
Equity	Cederberg Municipality is committed to enhancing the development of SMMes and B-BBEE enterprises, enabling them to make meaningful contributions to the local economy

Table 154: Procurement Services Highlights

## 2.37.3 Challenges: Procurement Services

The table below specifies the challenges for the year:

Description	Actions to address
Adherence to due dates in the Procurement Plan	Initiate a Supply Chain Management (SCM) communication campaign to inform all stakeholders of SCM requirements and encourage collaboration with the SCM team. Additionally, establish clear process ownership and accountability through delegation of powers
Local businesses are not adequately accessing procurement opportunities provided by the Municipality due to a lack of Construction Industry Development Board (CIDB) grading	Training day for non-registered/registered service providers

Table 155: Procurement Services Challenges

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## 2.37.4 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	2 023	169	8
Requests cancelled or referred back	26	2	0.1

Table 156: Service Statistics for Procurement Division

## 2.37.5 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	10	978 435	13.9%
Clause 36(1)(b)(ii)-Sole Supplier	13	454 768	6.4%
Clause 36(1)(b)(viii) Strip & quote	7	5 630 463	79.7%
<b>Total</b>	<b>30</b>	<b>7 063 666</b>	<b>100%</b>

Table 157: Statistics of Deviations from the SCM Policy

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## COMPONENT H: SERVICE DELIVERY PRIORITIES FOR 2024/25

### 2.38 SERVICE DELIVERY PRIORITIES FOR 2024/25

The main development and service delivery priorities for 2024/25 forms part of the Municipality's Top Layer SDBIP for 2024/25 and are indicated in the table below as per strategic objective:

#### 2.38.2 Improve and sustain basic service delivery and infrastructure development

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL9	The percentage of the municipal capital budget actually spent on capital projects as at 30 June 2025 (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 2025	All	<b>90%</b>
TL16	Number of 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 2025	Number of residential properties which are billed for water	All	<b>6 011</b>
TL17	Number of residential properties with electricity which are connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas) and billed for the service as at 30 June 2025	Number of residential properties billed credit meter and pre paid meters connected to the network.	All	<b>6 781</b>
TL18	Number of residential properties with sanitation services which are connected to the municipal wastewater (sanitation/sewerage) network and are billed for sewerage service, irrespective of the number of water closets (toilets) as at 30 June 2025	Number of residential properties which are billed for sewerage	All	<b>5 161</b>
TL19	Number of residential properties for which refuse is removed once per week and billed for the service as at 30 June 2025	Number of residential properties which are billed for refuse removal	All	<b>6 000</b>
TL20	Provide free basic water to indigent households as per the requirements in the indigent policy as at 30 June 2025	Number of households receiving free basic water	All	<b>2 196</b>
TL21	Provide free basic electricity to indigent households as per the requirements in the indigent policy as at 30 June 2025	Number of households receiving free basic electricity	All	<b>2 077</b>
TL22	Provide free basic sanitation to indigent households as per the requirements in the indigent policy as at 30 June 2025	Number of households receiving free basic sanitation services	All	<b>2 145</b>
TL23	Provide free basic refuse removal to indigent households as per the requirements in the indigent policy as at 30 June 2025	Number of households receiving free basic refuse removal	All	<b>2 191</b>

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Ref	KPI	Unit of Measurement	Wards	Annual Target
TL24	Spend 90% of the approved capital budget for the procurement of Fleet by 30 June 2025 (Actual amount spent /Total amount budgeted )x100	% of budget spent by 30 June 2025	All	<b>90%</b>
TL29	Spend 90% of the approved maintenance budget for Technical Services (Water, Waste Water, Electricity, Roads and Stormwater) by 30 June 2025 [(Actual expenditure on maintenance/total approved maintenance budget)x100]	% of budget spent by 30 June 2025	All	<b>90%</b>
TL30	Spend 100% of the MIG grant by 30 June 2025 [(Actual expenditure on MIG funding received/total MIG funding received)x100]	% of budget spent by 30 June 2025	All	<b>100%</b>
TL31	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	<b>95%</b>
TL32	Limit unaccounted for water to less than 25% by 30 June 2025 {(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold (incl free basic water) / Number of Kilolitres Water Purchased or Purified x 100}	% unaccounted water	All	<b>25%</b>
TL33	Limit unaccounted for electricity losses to less than 15% by 30 June 2025 (Number of Electricity Units Purchased and / or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and / or Generated) × 100	% unaccounted electricity	All	<b>15%</b>
TL35	Spend 90% of the budget approved for the construction of a Multi Purpose Centre (Phase 1) in Graafwater by 30 June 2025 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2025	4	<b>90%</b>
TL36	Spend 90% of the project budget to upgrade and refurbishment of the Clanwilliam Waste Water Treatment Works by 30 June 2025 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2025	3	<b>90%</b>
TL37	Spend 90% of the approved budget for the refurbishing of desalination plant in Lamberts Bay by 30 June 2025 [(Total actual expenditure on the project/ Approved budget for the project)x100]	% of budget spent by 30 June 2025	5	<b>90%</b>
TL38	Spend 90% of the approved INEP budget for the bulk electricity upgrade in Clanwilliam: Construction of Substation by 30 June 2025 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2025	3	<b>90%</b>
TL39	Spend 90% of the approved project budget for the electricity upgrade network in	% of budget spent by 30 June 2025	3	<b>90%</b>

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Ref	KPI	Unit of Measurement	Wards	Annual Target
	Clanwilliam by 30 June 2025 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]			
TL40	Spend 90% of the approved project budget to upgrade the 11KV cable in Mark Street, Clanwilliam by 30 June 2025 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2025	3	<b>90%</b>
TL41	Spend 90% of the approved project budget to refurbish the overhead line east of town, Graafwater by 30 June 2025 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2025	4	<b>90%</b>
TL42	Spend 90 % of the project budget for the upgrade of roads and stormwater infrastructure in Graafwater by 30 June 2025 [(Total actual expenditure on the project/ Approved capital budget for the project)x 100]	% of budget spend by 30 June 2025	4	<b>90%</b>
TL43	Spend 90 % of the project budget for the upgrade of roads in Clanwilliam by 30 June 2025 [(Total actual expenditure on the project/ Approved capital budget for the project)x 100]	% of budget spend by 30 June 2025	3	<b>90%</b>
TL44	Spend 90% of the approved budget for the new borehole scheme in Lamberts Bay by 30 June 2025 [(Total actual expenditure on the project/ Approved capital budget for the project)x 100]	% of budget spend by 30 June 2025	5	<b>90%</b>
TL45	Spend 90% of the approved ISUPG budget for the installation of water services of Citrusdal Riveriview by 30 June 2025 [(Total actual expenditure on the project/ Approved budget for the project)x100]	% of budget spent by 30 June 2025	2	<b>90%</b>
TL46	Spend 90% of the approved ISUPG budget for the installation of water services of Clanwilliam Khayelitsha by 30 June 2025 [(Total actual expenditure on the project/ Approved budget for the project)x100]	% of budget spent by 30 June 2025	3	<b>90%</b>
TL47	Spend 90% of the approved budget for the Water Treatment Works filters in Clanwilliam by 30 June 2025 [(Total actual expenditure on the project/ Approved capital budget for the project)x 100]	% of budget spend by 30 June 2025	3	<b>90%</b>
TL48	Spend 90 % of the approved budget for the Clanwilliam Transfer Station by 30 June 2025 [(Total actual expenditure on the project/ Approved capital budget for the project)x 100]	% of budget spend by 30 June 2025	3	<b>90%</b>
TL49	Submit a quarterly report to Council on the Blue and Green Drop Status	Number of reports submitted	All	<b>4</b>

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Ref	KPI	Unit of Measurement	Wards	Annual Target
TL50	Conduct an investigation, test the market for renewable energy and submit findings with recommendations to Council by 30 June 2025	Findings and recommendations submitted to Council by 30 June 2025	All	1
TL51	Submit a report on the Implementation of the GIS to Council by 30 June 2025	GIS implementation report submitted to Council by 30 June 2025	All	1
TL52	Submit a report on the Implementation of the Smart Meters to Council by 30 June 2025	Smart Meters implementation report submitted to Council by 30 June 2025	All	1
TL53	Submit a report on the progress made on the Clanwilliam By-Pass to Council by 30 June 2025	Clanwilliam By-Pass Progress report submitted to Council by 30 June 2025	All	1
TL54	Submit a business plan to possible funders for a new Reservoir in Paleisheuwel by 30 June 2025	Business Plan submitted by 30 June	All	1

Table 158: Improve and sustain basic service delivery and infrastructure development

## 2.38.3 Strive for financial viability and economically sustainability

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL8	Achieve an unqualified audit opinion for the 2023/24 financial year	Unqualified Audit opinion received for the 2023/24 financial year	All	1
TL10	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June 2025 [(Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / (Total Operating Revenue -Operating Conditional Grant) x 100]	% of debt coverage by 30 June 2025	All	45%
TL11	Financial viability measured in terms of the outstanding service debtors as at 30 June 2025 [(Total outstanding service debtors/annual revenue received for services)x 100]	% of outstanding service debtors by 30 June 2025	All	10%
TL12	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2025 [(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)]	Number of months it takes to cover fix operating expenditure with available cash	All	1
TL13	100% of the Financial Management Grant spent by 30 June 2025 [(Total actual grant expenditure/Total grant allocation received)x100]	% of Financial Management Grant spent by 30 June 2025	All	100%
TL14	Submit the annual financial statements to the Auditor-General by 31 August 2024	Approved financial statements submitted to the Auditor-General by 31 August 2024	All	1



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Ref	KPI	Unit of Measurement	Wards	Annual Target
TL15	Achievement of a payment percentage of 92% by 30 June 2025 ((Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance + Bad Debts Written Off)/Billed Revenue) x 100	Payment % achieved by 30 June 2025	All	<b>92%</b>
TL55	Comply 100% with the government debt relief plan by 30 June	% of compliance to government relief plan	All	<b>100%</b>
TL56	Address mSCOA issues by 30 June	% of issues addressed by 30 June	All	<b>100%</b>
TL57	Submit the annual financial statements to the Auditor-General by 31 August	Annual financial statements submitted to the Auditor-General by 31 August	All	<b>1</b>
TL58	Update the property register and valuation roll bi-annually and submit to the Municipal Manager	Number of quarterly updates	All	<b>2</b>
TL59	Submit the draft main budget to Council by 31 March	Draft main budget submitted to Council by 31 March	All	<b>1</b>
TL60	Submit the adjustments budget to Council by 28 February	Adjustment budget submitted to Council by 28 February	All	<b>1</b>

Table 159: Strive for financial viability and economically sustainability

## 2.38.4 Promote Good Governance, Community Development & Public Participation

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL1	Develop and submit the Risk Based Audit Plan for 2025/26 to the Audit Committee by 30 June 2025	Risk Based Audit Plan submitted to the Audit Committee by 30 June 2025	All	<b>1</b>
TL2	Review and submit the final IDP to Council by 31 May 2025	Final IDP submitted to Council by 31 May 2025	All	<b>1</b>
TL3	Compile and submit the Strategic and Operational Risk Register to the Risk Committee by 31 December 2024	Strategic and operational risk register submitted to the Risk Committee by 31 December 2024	All	<b>1</b>
TL4	Report quarterly to Council on the implementation status of the Municipal Recovery Plan	Number of quarterly reports submitted	All	<b>4</b>
TL5	Report quarterly to Council on the implementation status of the Budget Funding Plan	Number of quarterly reports submitted	All	<b>4</b>
TL6	Report quarterly to Council on the implementation status of the Government Debt Relief Plan	Number of quarterly reports submitted	All	<b>4</b>
TL7	Conduct market testing for alternative service delivery mechanisms and submit findings with recommendations to Council by 30 June 2025	Findings and recommendations submitted to Council by 30 June 2025	All	<b>1</b>
TL28	Review and submit the Informal Traders Policy to Council for approval by 30 June 2025	Reviewed Informal Traders Policy submitted to Council by 30 June 2025	All	<b>1</b>

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Ref	KPI	Unit of Measurement	Wards	Annual Target
TL64	Conduct quarterly ICT steering committee meetings	Number of meetings conducted	All	4
TL65	Review the System of Delegations and submit to the Director by 31 March	System of delegations reviewed	All	1
TL66	Review the property register and submit to Council 31 May	Property Register submitted	All	1
TL67	Conduct a quarterly Central Occupational Health & Safety Committee meeting	Number of meetings conducted	All	4
TL68	Submit the Workplace Skills Plan to LGSETA by 30 April	Workplace Skills Plan submitted to LGSETA	All	1
TL69	Spent 90% of the approved training budget by 30 June [(Actual expenditure /total approved budget)x100]	% of budget spent	All	90%
TL70	Submit the Employment Equity Report to the Department of Labour by 15 January	Employment Equity Report submitted	All	1

Table 160: Promote Good Governance, Community Development & Public Participation

## 2.38.5 Facilitate, expand and nurture sustainable economic growth and eradicate poverty

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL34	Create 160 jobs opportunities in terms of the Expanded Public Works Programme (EPWP) by 30 June 2025	Number of job opportunities created in terms of EPWP by 30 June 2025	All	160
TL61	Review the LED Strategy and submit to Council by 30 June	Number of reports submitted to Council	All	1
TL62	Review the Disaster Management Plan and submit to Council by 31 March	Disaster Management Plan submitted	All	1

Table 161: Facilitate, expand and nurture sustainable economic growth and eradicate poverty

## 2.38.6 Facilitate social cohesion, safe and healthy communities

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL63	Conduct a feasibility study in conjunction with Government Departments on the viability of a vehicle impound centre by 31 December	Completed feasibility study	All	1

Table 162: Facilitate social cohesion, safe and healthy communities

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## 2.38.7 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
TL25	The number of people from employment equity target groups employed in the three highest levels of management in compliance with the equity plan as at 30 June 2025	Number of people employed as at 30 June	All	<b>1</b>
TL26	The percentage of the municipality's personnel budget actually spent on implementing its workplace skills plan by 30 June 2025 [(Actual amount spent on training/total operational budget)x100]	% of the municipality's personnel budget on training by 30 June 2025 (Actual amount spent on training/total personnel budget)x100	All	<b>0.15%</b>
TL27	Spend 90% of the approved capital budget for IT by 30 June 2025 [(Total actual expenditure on the project/ Approved capital budget for the project)x100]	% of budget spent by 30 June 2025	All	<b>90%</b>

Table 163: Development and transformation of the institution to provide a people-centred human resources and administrative service to citizens, staff and Council

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## CHAPTER 4

### 4.1 NATIONAL KEY PERFORMANCE INDICATORS - MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

The following table indicates the Municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the National Key Performance Area - Municipal Transformation and Organisational Development.

Indicators	2022/23	2023/24
The number of people from employment equity target groups employed in the three highest levels of management in compliance with a Municipality's approved employment equity plan	1	6
The percentage of a Municipality's budget actually spent on implementing its workplace skills plan	0.71%	0.29%

Table 164: National KPIs- Municipal Transformation and Organisational Development

### 4.2 INTRODUCTION TO THE MUNICIPAL WORKFORCE

The Municipality currently employs 316 officials, who collectively contribute to achieving its objectives. The primary goal of Human Resource Management is to provide innovative HR services that focus on both skills' development and administrative functions.

#### 4.2.1 Employment Equity

The Employment Equity Act (1998), Chapter 3, Section 15(1), mandates affirmative action measures to ensure that suitably qualified individuals from designated groups have equal employment opportunities and are equitably represented across all occupational categories and levels within the workforce of a designated employer. National performance indicators also reference the "number of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved Employment Equity Plan."

##### a) Employment Equity Targets/Actual

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

Table 165: 2023/24 EE Actual by Racial Classification

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

Table 166: 2023/24 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%	100%
<b>Economically Active Population West Coast Region % Population</b>	<b>17%</b>	<b>66%</b>	<b>0.5%</b>	<b>16%</b>	<b>100%</b>
Number for positions filled	64	245	1	6	316

Table 167: EE Population 2023/24 (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	W	
Top Management	0	0	0	0	0	0	0	0	0
Senior management	0	2	0	1	0	0	0	0	3
Professionally qualified and experienced specialists and mid- management	0	6	0	1	0	2	0	1	10
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	6	34	0	1	3	22	0	1	67
Semi-skilled and discretionary decision making	17	54	1	0	5	44	0	1	122
Unskilled and defined decision making	18	63	0	0	15	18	0	0	114
Temporary employees	0	5	0	1	0	3	0	0	9
<b>Total</b>	<b>41</b>	<b>159</b>	<b>1</b>	<b>3</b>	<b>23</b>	<b>86</b>	<b>0</b>	<b>3</b>	<b>316</b>

Table 168: Occupational Categories

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## d) Departments - Race

The table below shows the number of employees per department as well as the profile by race. The Technical 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	33	0	2	38
Support Services	13	99	1	1	115
Technical Services	47	100	0	3	146
<b>Total</b>	<b>64</b>	<b>245</b>	<b>1</b>	<b>6</b>	<b>316</b>

Table 169: 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 2022/23 resulted in a funded vacancy rate of 16.1% compared to 2023/24 resulting in a funded vacancy rate of 22.5%. Below is a table that indicates the vacancies within the Municipality:

Per Functional Level		
Functional area	Filled	Vacant
Municipal Manager	14	2
Financial Services	38	4
Support Services	108	46
Technical Services	156	40
<b>Total</b>	<b>316</b>	<b>92</b>

Table 170: 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	2
Senior management (T14-T19)	5	13
<b>Total</b>	<b>6</b>	<b>17</b>

Table 171: Full Time Staff Equivalents

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## 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 2023/24.

Employee Movement					
Movement Type	African	Coloured	Indian	White	Total
Termination	1	32	0	2	35
Recruited Internal	0	2	0	0	2
Recruited External	7	20	0	2	29
Transferred / Placement	0	1	0	0	1
Total	8	55	0	4	67

Table 172: 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 refers to a personal injury, disease, or death resulting from an occupational accident. Compensation claims for such injuries are calculated based on the severity of the injury or disease and can be costly for a municipality. Occupational injuries impact productivity and financial performance by resulting in a loss of man hours.

The injury rate has decreased from 25 employees injured in the 2022/23 financial year to 20 employees in the 2023/24 financial year. The table below shows the total number of injuries across different directorates

Directorates	2022/23	2023/24
Municipal Manager	0	0
Support Services	0	1
Financial Services	2	0
Technical Services	23	19
Total	25	20

Table 173: Injuries

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## 4.3.2 Human Resource Policies and Plans

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

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

Policies	
Name of policy	Policy approved Yes/No
Sexual Harassment	Yes
Subsistence and Travelling	Yes
Training and Development	Yes
Language	Yes
Cell Phone	Yes
Study	Yes
IT	Yes
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 174: 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).

The Skills Development Act (1998) and the Municipal Systems Act, (2000), require employers to supply employees with the necessary training in order to develop its human resource capacity. Section 55(1)(f) states that as head of



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administration the Municipal Manager is responsible for the management, utilization and training of staff. Furthermore, after the promulgation of the Staff Regulations, Reg. 890 ad Guidelines 890, Chapter 4 has placed emphasis on the development of skills, as performance and skills development now goes hand-in-hand.

## 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 2023/24 financial year was R469 988.00 The actual spent on training for the same financial year was R412 533.23 which amounts to 113% 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	0	0	1	0	5	0	3	9
Managers	0	4	0	0	0	9	0	2	15
Professionals	1	26	0	2	1	23	0	0	53
Technicians and Trade Workers	0	0	0	0	1	8	0	1	10
Community and Personal Service Workers	0	0	0	1	1	7	0	0	9
Clerical and Administrative Workers	1	5	0	0	0	4	0	0	10
Sales Workers	0	0	0	0	0	0	0	0	0
Machine Operators and Drivers	0	0	0	0	0	0	0	0	0
Elementary Workers	4	13	0	0	11	37	0	0	65
<b>Total</b>	<b>6</b>	<b>48</b>	<b>0</b>	<b>4</b>	<b>14</b>	<b>93</b>	<b>0</b>	<b>6</b>	<b>171</b>

Table 175: Skills Matrix

## 4.4.2 Skills Development - Budget Allocation

Year	Total Allocated	Total Spend	% Spent
2022/23	R968 700	R988 437	98%
2023/24	R469 988	R412 533	113%

Table 176: Budget Allocated for Skills Development

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## 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
Senior managers	2	2	2
Any other financial officials	0	0	0
<b>Supply Chain Management Officials</b>			
Heads of supply chain management units	1	1	1

Table 177: MFMA Competencies

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## 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	2022/23	2023/24		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R	R	R	R
<b>Councillors (Political Office Bearers plus Other)</b>				
Salary	4 794 977.12	4 888 526.00	5 391 000.00	5 305 810.33
Pension Contributions	255 216.61	123 433.00	76 000.00	65 755.20
Medical Aid Contributions	86 665.56	78 099.00	85 000.00	84 157.68
Motor vehicle allowance	140 000.00	600 000.00	240 000.00	240 000.00
Cell phone allowance	420 639.60	448 800.00	400 000.00	385 581.00
Housing allowance	0.00	0.00	0.00	0.00
Other benefits or allowances	0.00	0.00	0.00	0.00
In-kind benefits	0.00	0.00	0.00	0.00
<b>Sub Total</b>	<b>5 697 498.89</b>	<b>6 138 858.00</b>	<b>6 192 000.00</b>	<b>6 081 304.21</b>
<b>Senior Managers of the Municipality</b>				
Basic Salary and Wages	2 301 333.15	3 520 028.00	3 925 493.00	3 849 453.28
Pension Contributions	127 834.00	585 992.00	585 073.00	139 303.87
Medical Aid Contributions	38 184.96	229 112.00	218 828.00	46 312.80
Performance Bonus	-89 377.59	0.00	0.00	0.00
Motor vehicle allowance	90 321.43	360 000.00	225 044.00	220 043.48
Cell phone allowance	107 535.72	222 000.00	215 000.00	102 500.00
Housing allowance	0.00	0.00	0.00	0.00
Other benefits or allowances	13 175.52	79 541.00	85 609.00	147.94
Leave Pay Out	0.00	0.00	0.00	0.00
Long Service Awards	0.00	0.00	0.00	0.00
<b>Sub Total</b>	<b>2 589 007.19</b>	<b>4 996 673.00</b>	<b>5 255 047.00</b>	<b>4 357 761.37</b>
<b>Other Municipal Staff</b>				

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Financial year	2022/23	2023/24		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R	R	R	R
Basic Salaries and Wages	84 975 659.77	95 148 036.00	89 603 823.00	86 375 326.30
Pension Contributions	13 363 468.11	16 579 980.00	14 068 991.00	13 563 304.72
Medical Aid Contributions	4 415 502.18	5 258 727.00	5 079 835.00	4 960 708.96
Motor vehicle allowance	6 435 206.37	7 114 139.00	6 874 250.00	6 715 448.62
Cell phone allowance	405 907.78	398 339.00	417 266.00	402 789.55
Housing allowance	358 895.87	417 997.00	331 937.00	302 860.44
Overtime	4 024 170.77	4 615 193.00	5 419 934.00	4 797 966.51
Other benefits or allowances	4 643 380.34	5 497 494.00	5 564 693.00	5 367 438.14
Leave Pay Out	571 245.97	1 188 000.00	1 268 000.00	1 268 000.00
Long Service Awards	532 000.00	592 000.00	493 000.00	493 000.00
Post-retirement benefit obligations	2 154 000.00	2 409 000.00	1 300 000.00	1 300 000.00
Scarcity	388 787.94	467 796.00	453 543.00	453 542.94
<b>Sub Total</b>	<b>122 268 225.10</b>	<b>139 686 701.00</b>	<b>130 875 272.00</b>	<b>126 000 386.18</b>
<b>Total Municipality</b>	<b>130 554 731.18</b>	<b>150 822 232.00</b>	<b>142 322 319.00</b>	<b>136 439 451.76</b>

Table 178: Personnel Expenditure

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## CHAPTER 5

This chapter provides details regarding the financial performance of the Municipality for the 2023/24 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 2023/24 financial year:

Financial Summary						
R'000						
Description	2022/23	2023/24			2023/24 %Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Financial Performance						
Property rates	70,382	73,339	73,876	73,693	0.48	-0.25
Service charges	169,227	171,976	180,514	190,639	9.79	5.31
Investment revenue	2,020	1,269	4,792	5,191	75.55	7.68
Transfers recognised - operational	108,753	89,549	125,641	115,294	22.33	-8.97
Other own revenue	39,182	35,568	76,502	69,155	48.57	-10.62
<b>Total revenue (excluding capital transfers and contributions)</b>	<b>389,565</b>	<b>371,702</b>	<b>461,326</b>	<b>453,971</b>	<b>18.12</b>	<b>-1.62</b>
Employee costs	124,488	144,683	136,130	130,819	-10.60	-4.06
Remuneration of councillors	5,697	6,139	6,192	6,081	-0.95	-1.82
Debt Impairment	34,315	30,239	56,212	50,384	39.98	-11.57
Depreciation & asset impairment	50,337	29,617	43,606	42,207	29.83	-3.31
Finance charges	13,042	15,789	15,006	14,961	-5.53	-0.30
Bulk Purchases	92,504	95,123	102,665	105,503	9.84	2.69
Other Materials	10,728	12,291	14,717	10,927	-12.48	-34.68
Contracted Services	53,319	33,651	67,512	56,827	40.78	-18.80
Transfers and grants	728	30	223	198	84.85	-12.75
Other expenditure	24,123	26,328	30,070	26,796	1.75	-12.22
Loss on disposal of PPE	135	0	0	666	100.00	100.00
Other Losses	0	910	7,360	0	0	0
<b>Total Expenditure</b>	<b>409,417</b>	<b>394,800</b>	<b>479,693</b>	<b>445,369</b>	<b>11.35</b>	<b>-7.71</b>

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Financial Summary						
R'000						
Description	2022/23	2023/24			2023/24 %Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
<b>Surplus/(Deficit)</b>	<b>(19,852)</b>	<b>(23,098)</b>	<b>(18,368)</b>	<b>8,602</b>	<b>368.52</b>	<b>313.53</b>
Transfers recognised - capital	25,343	71,080	37,419	26,280	-170.47	-42.39
Contributions recognised - capital & contributed assets	0	0	5,550	5,550	100.00	0.00
<b>Surplus/(deficit) after capital transfers &amp; contributions</b>	<b>5,490</b>	<b>47,981</b>	<b>24,602</b>	<b>40,432</b>	<b>-18.67</b>	<b>39.15</b>
Capital Expenditure & Funds Sources						
Capital Expenditure						
Transfers recognized - capital	25,343	71,080	37,419	26,280	-170.47	-42.39
Public contributions & donations	0	0	0	0	0	0
Borrowing	0	0	0	0	0	0
Internally generated funds	4,910	14,915	16,245	15,383	3.04	-5.61
<b>Total sources of capital funds</b>	<b>30,253</b>	<b>85,995</b>	<b>53,664</b>	<b>41,662</b>	<b>-106.41</b>	<b>-28.81</b>
Financial Position						
Total current assets	76,985	43,804	40,947	121,914	64.07	66.41
Total non-current assets	680,546	826,464	772,669	682,711	-21.06	-13.18
Total current liabilities	116,545	124,008	51,302	102,891	-20.52	50.14
Total non-current liabilities	102,849	103,202	121,006	123,166	16.21	1.75
Community wealth/equity	538,137	643,057	641,309	578,568	-11.15	-10.84
Cash Flows						
Net cash from (used) operating	51,191	86,434	26,054	80,491	-7.38	67.63
Net cash from (used) investing	(30,759)	(83,495)	(51,664)	(46,273)	-80.44	-11.65
Net cash from (used) financing	(3,470)	(1,735)	(1,721)	(1,738)	0.16	0.99
<b>Cash/cash equivalents at the year end</b>	<b>16,962</b>	<b>1,205</b>	<b>(27,331)</b>	<b>32,481</b>	<b>96.29</b>	<b>184.15</b>
Cash Backing/Surplus Reconciliation						
Cash and investments available	28,778	1,233	1,530	61,258	97.99	97.50
Application of cash and investments	61,565	74,056	(6,797)	0	0	0
<b>Balance -surplus (shortfall)</b>	<b>(32,788)</b>	<b>(72,823)</b>	<b>8,326</b>	<b>0</b>	<b>0</b>	<b>0</b>
Asset Management						
Asset register summary (WDV)	757,471	826,464	812,803	681,112	-21.34	-19.33
Depreciation & asset impairment	24,715	29,617	28,605	26,567	-11.48	-7.67
Renewal of existing assets	1,237	1,600	500	253	-532.74	-97.73

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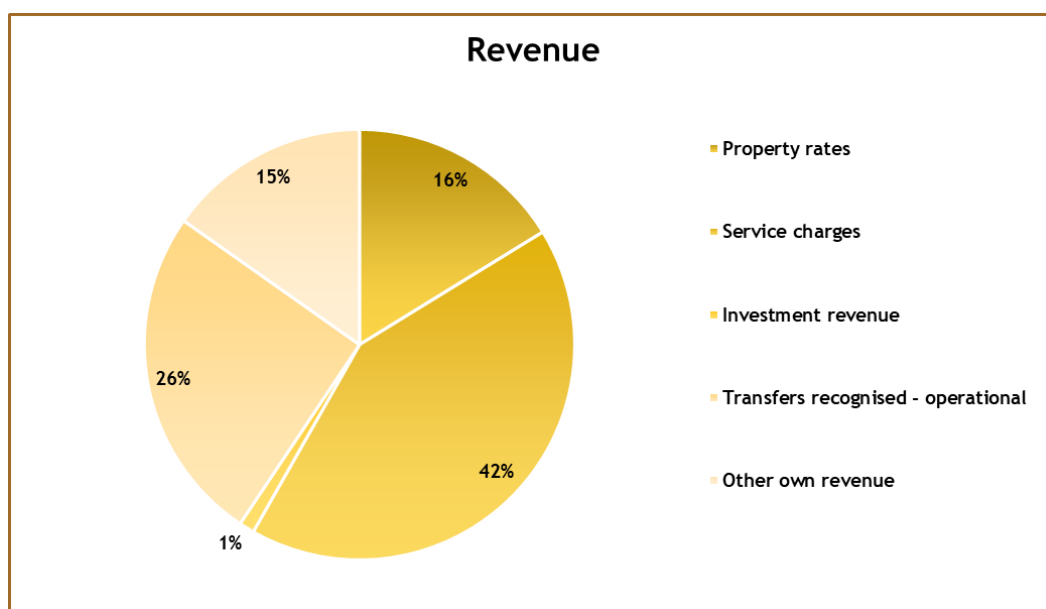
Financial Summary						
R'000						
Description	2022/23	2023/24			2023/24 %Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Repairs and maintenance	27,447	33,207	34,576	29,682	-11.88	-16.49
Free Services						
Cost of free basic services provided	8,690	10,432	13,620	9,041	-15.39	-50.65
Revenue cost of free services provided	8,124	8,791	8,639	0	0	0
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1.						

Table 179: Financial Performance 2023/24

Financial Year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000				R'000			
2022/23	372,876	389,565	16,689	4	404,936	409,417	(4,481)	-1
2023/24	461,326	453,971	(7,355)	-2	479,693	445,369	34,324	7

Table 180: Performance Against Budgets

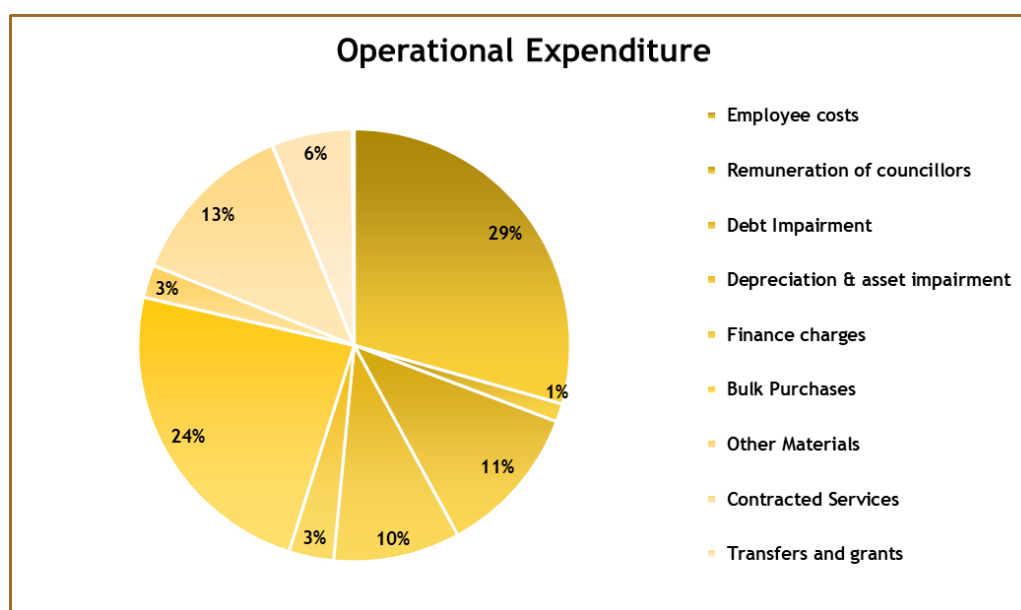
The following graph indicates the various types of revenue items in the municipal budget for 2023/24



Graph 3: Revenue

# Annual Performance Report

The following graph indicates the various types of expenditure items in the municipal Budget for 2023/24



Graph 4: Operating Expenditure

## 5.1.1 Revenue Collection by Vote

The table below indicates the revenue collection performance by vote:

Vote Description	2022/23	2023/24			2023/24 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Vote 1 - Executive and Council	52,761	53,413	53,438	53,391	-0.04	-0.09
Vote 2 - Office of Municipal Manager	0	0	300	300	100.00	0.00
Vote 3 - Financial Administrative Services	93,105	92,287	112,380	107,076	13.81	-4.95
Vote 4 - Community Development Services	8,299	11,911	9,459	8,034	-48.25	-17.73
Vote 5 - Corporate and Strategic Services	804	460	2,636	784	41.34	-236.39
Vote 6 - Planning and Development Services	2,632	2,419	2,405	2,655	8.92	9.41
Vote 7 - Public Safety	13,804	15,337	40,848	39,136	60.81	-4.37
Vote 8 - Electricity	133,460	148,915	165,373	166,072	10.33	0.42
Vote 9 - Waste Management	15,799	16,192	24,741	26,393	38.65	6.26
Vote 10 - Waste Water Management	18,490	33,808	30,019	30,274	-11.67	0.84
Vote 11 - Water	34,692	53,300	43,425	40,835	-30.52	-6.34
Vote 12 - Housing	27,426	6,224	10,999	4,819	-29.15	-128.23
Vote 13 - Road Transport	10,675	5,678	4,442	3,000	-89.30	-48.10



# Annual Performance Report

Vote Description	2022/23	2023/24			2023/24 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Vote 14 - Sports and Recreation	2,960	2,839	3,831	3,031	6.33	-26.40
<b>Total Revenue by Vote</b>	<b>414,907</b>	<b>442,782</b>	<b>504,295</b>	<b>485,801</b>	<b>8.86</b>	<b>-3.81</b>
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3						

Table 181: Revenue by Vote

## 5.1.2 Revenue Collection by Source

The table below indicates the revenue collection performance by source for the 2023/24 financial year:

Description	2022/23	2023/24			2023/24 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Exchange Revenue						
Service charges - Electricity	110,605	110,746	122,581	127,401	13.07	3.78
Service charges - Water	29,820	31,298	30,973	32,781	4.52	5.51
Service charges - Waste Water Management	14,417	14,660	14,203	16,351	10.34	13.13
Service charges - Waste Management	14,385	15,272	12,757	14,106	-8.27	9.56
Sale of Goods and Rendering of Services	4,443	4,240	5,225	4,560	7.01	-14.58
Agency services	3,782	3,841	4,370	4,300	10.66	-1.64
Interest Earned from Receivables (Exchange)	9,776	10,876	6,547	8,117	-33.98	19.34
Interest Earned from Current and Non Current Assets	2,020	1,269	4,792	5,191	75.55	7.68
Rental from Fixed Assets	747	941	824	970	2.95	15.04
Licences and Permits	2	-	12	11	100.00	-8.51
Operational Revenue (Exchange)	946	704	790	846	16.79	6.58
Non-Exchange Revenue						
Property Rates	70,382	73,339	73,876	73,693	0.48	-0.25
Surcharges and Taxes	33	1	1	0	0	0
Fines, Penalties and Forfeits	10,570	11,555	34,273	32,934	64.91	-4.07
Transfers and Subsidies - Operational	108,753	89,549	125,641	115,294	22.33	-8.97

# Annual Performance Report

Description	2022/23	2023/24			2023/24 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Interest Earned from Receivables (Non-Exchange)	0	0	4,212	4,208	100.00	-0.10
Operational Revenue (Non-Exchange)	813	0	3,644	3,629	100.00	-0.40
Gains on Disposal of Assets	0	2,500	2,000	0	0	0
Other Gains	8,068	910	14,603	9,580	90.50	-52.44
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>389,565</b>	<b>371,702</b>	<b>461,326</b>	<b>453,971</b>	<b>18.12</b>	<b>-1.62</b>
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.						

Table 182: Revenue by Source

## 5.1.3 Operational Services Performance

The table below indicates the operational services performance for the 2023/24 financial year:

Financial Performance of Operational Services						
Description	2022/23	2023/24			2023/24 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Operating Cost						
Water	53,088	33,566	46,133	39,390	14.79	-17.12
Waste Water (Sanitation)	20,087	21,188	21,636	20,930	-1.23	-3.38
Electricity	125,988	121,419	151,806	152,780	20.53	0.64
Waste Management	15,973	16,909	18,012	17,841	5.23	-0.96
Housing	16,617	3,631	9,311	4,174	13.00	-123.08
Component A: sub-total	231,753	196,713	246,898	235,115	16.33	-5.01
Roads and Stormwater	13,997	16,277	16,205	15,356	-6.00	-5.53
Transport	0	0	0	0	0	0
Component B: sub-total	13,997	16,277	16,205	15,356	-6.00	-5.53
Planning	6,176	8,054	7,798	7,545	-6.74	-3.35
Local Economic Development	3,984	4,411	4,283	4,258	-3.59	-0.58
Component C: sub-total	10,160	12,465	12,081	11,803	-5.60	-2.35
Libraries	5,858	6,985	6,860	6,104	-14.44	-12.39
Social Services & Community Development	0	0	0	0	0	0

# Annual Performance Report

Financial Performance of Operational Services						
Description	2022/23	2023/24			2023/24 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Operating Cost						
Component D: sub-total	5,858	6,985	6,860	6,104	-14.44	-12.39
Environmental Protection	0	0	0	0	0	0
Component E: sub-total	0	0	0	0	0	0
Traffic & Licensing	18,804	22,080	44,123	39,158	43.61	-12.68
Fire Services and Disaster Management	1,873	5,093	4,402	2,470	-106.22	-78.24
Component F: sub-total	20,676	27,173	48,525	41,627	34.72	-16.57
Holiday Resorts and Campsites	4,460	5,021	4,846	4,293	-16.95	-12.87
Stadiums and Sport Ground	1,772	2,026	1,754	1,707	-18.72	-2.76
Community Facilities	1,119	1,288	1,209	836	-54.03	-44.59
Parks and Gardens	5,802	6,693	7,108	6,695	0.02	-6.17
Component G: sub-total	13,153	15,029	14,917	13,531	-11.07	-10.24
Financial Services	66,720	65,641	82,829	72,238	9.13	-14.66
Office of the MM	16,446	21,122	20,331	18,801	-12.35	-8.14
Administration	25,327	28,419	27,357	27,716	-2.54	1.29
Human Resources	5,326	4,978	3,690	3,077	-61.76	-19.91
Component H: sub-total	113,819	120,159	134,207	121,832	1.37	-10.16
Total Expenditure	409,417	394,800	479,693	445,369	11.35	-7.71
In this table operational income (but not levies or tariffs) is offset ageist operational expenditure leaving a net operational expenditure total for each service. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

Table 183: Operational Services Performance

## 5.2 FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION

The tables below indicate the financial performance per municipal function:

# Annual Performance Report

## 5.2.1 Water Services

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>34,692</b>	<b>53,300</b>	<b>43,425</b>	<b>40,835</b>	<b>-30.52</b>
<b>Expenditure:</b>					
Bulk Purchases	944	1,000	1,000	622	<b>-60.65</b>
Debt Impairment	3,913	5,290	3,750	(300)	<b>1866.24</b>
Depreciation and Amortisation	5,093	7,174	5,929	5,011	<b>-43.18</b>
Contracted Services	1,040	715	1,238	1,089	<b>34.34</b>
Employee Related Costs	11,683	13,950	13,501	12,535	<b>-11.29</b>
Other Expenditure	5,233	5,435	5,715	5,714	<b>4.87</b>
Impairment	25,182	1	15,000	14,718	<b>99.99</b>
<b>Total Operational Expenditure</b>	<b>53,088</b>	<b>33,566</b>	<b>46,133</b>	<b>39,390</b>	<b>14.79</b>
<b>Net Operational (Service) Expenditure</b>	<b>(18,396)</b>	<b>19,734</b>	<b>(2,708)</b>	<b>1,445</b>	<b>-1265.94</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 184: Financial Performance: Water Services

## 5.2.2 Waste Water (Sanitation)

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>18,490</b>	<b>33,808</b>	<b>30,019</b>	<b>30,274</b>	<b>-11.67</b>
<b>Expenditure:</b>					
Contracted Services	1,659	1,742	1,883	1,769	<b>1.50</b>
Debt Impairment	2,986	2,478	2,170	2,571	<b>3.64</b>
Depreciation and Amortisation	6,691	6,506	7,163	7,114	<b>8.55</b>
Employee Related Costs	5,426	6,344	6,209	5,848	<b>-8.48</b>
Other Expenditure	3,325	4,118	4,211	3,628	<b>-13.52</b>
<b>Total Operational Expenditure</b>	<b>20,087</b>	<b>21,188</b>	<b>21,636</b>	<b>20,930</b>	<b>-1.23</b>
<b>Net Operational (Service)</b>	<b>(1,597)</b>	<b>12,620</b>	<b>8,383</b>	<b>9,344</b>	<b>-35.06</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 185: Financial Performance: Waste Water (Sanitation) Services

# Annual Performance Report

## 5.2.3 Electricity

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	133,460	148,915	165,373	166,072	<b>10.33</b>
<b>Expenditure:</b>					
Bulk Purchases	92,504	95,123	102,665	105,503	<b>9.84</b>
Contracted Services	19,115	3,755	30,758	30,625	<b>87.74</b>
Debt Impairment	255	3,403	600	942	<b>-261.08</b>
Depreciation and Amortisation	4,067	5,595	5,204	4,188	<b>-33.59</b>
Employee Related Costs	7,459	9,997	9,502	9,340	<b>-7.04</b>
Other Expenditure	2,588	3,546	3,077	2,182	<b>-62.49</b>
<b>Total Operational Expenditure</b>	<b>125,988</b>	<b>121,419</b>	<b>151,806</b>	<b>152,780</b>	<b>20.53</b>
<b>Net Operational (Service)</b>	<b>7,472</b>	<b>27,496</b>	<b>13,567</b>	<b>13,292</b>	<b>-106.86</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 186: Financial Performance: Electricity

## 5.2.4 Waste Management

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>15,799</b>	<b>16,192</b>	<b>24,741</b>	<b>26,393</b>	<b>38.65</b>
<b>Expenditure:</b>					
Contracted Services	1,147	1,425	2,042	1,676	<b>14.99</b>
Debt Impairment	1,637	1,877	1,650	1,593	<b>-17.84</b>
Depreciation and Amortisation	1,487	1,742	2,117	2,171	<b>19.78</b>
Employee Related Costs	9,363	9,582	9,859	9,557	<b>-0.26</b>
Impairment	2,340	2,283	2,344	1,922	<b>-18.79</b>
Other Expenditure	0	0	0	922	<b>100.00</b>
<b>Total Operational Expenditure</b>	<b>15,973</b>	<b>16,909</b>	<b>18,012</b>	<b>17,841</b>	<b>5.23</b>
<b>Net Operational (Service)</b>	<b>(174)</b>	<b>(717)</b>	<b>6,728</b>	<b>8,552</b>	<b>108.38</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 187: Financial Performance: Waste Management

# Annual Performance Report

## 5.2.5 Housing

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>27,426</b>	<b>6,224</b>	<b>10,999</b>	<b>4,819</b>	<b>-29.15</b>
<b>Expenditure:</b>					
Contracted Services	14,087	513	6,748	1,756	<b>70.79</b>
Depreciation and Amortisation	2	4	4	1	<b>-263.23</b>
Employee Related Costs	2,476	2,968	2,413	2,340	<b>-26.83</b>
Other Expenditure	53	146	147	76	<b>-91.75</b>
<b>Total Operational Expenditure</b>	<b>16,617</b>	<b>3,631</b>	<b>9,311</b>	<b>4,174</b>	<b>13.00</b>
<b>Net Operational (Service)</b>	<b>10,809</b>	<b>2,593</b>	<b>1,688</b>	<b>645</b>	<b>-301.79</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 188: Financial Performance: Housing

## 5.2.6 Roads and Stormwater

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>14,457</b>	<b>9,520</b>	<b>8,813</b>	<b>7,299</b>	<b>-30.42</b>
<b>Expenditure:</b>					
Contracted Services	287	812	900	703	<b>-15.56</b>
Depreciation and Amortisation	5,162	5,706	5,393	5,419	<b>-5.29</b>
Employee Related Costs	7,426	8,412	7,622	7,280	<b>-15.55</b>
Other Expenditure	1,123	1,347	2,290	1,954	<b>31.08</b>
<b>Total Operational Expenditure</b>	<b>13,997</b>	<b>16,277</b>	<b>16,205</b>	<b>15,356</b>	<b>-6.00</b>
<b>Net Operational (Service)</b>	<b>459</b>	<b>(6,757)</b>	<b>(7,392)</b>	<b>(8,057)</b>	<b>16.13</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 189: Financial Performance: Roads and Stormwater

# Annual Performance Report

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

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>2,474</b>	<b>2,419</b>	<b>2,264</b>	<b>2,513</b>	<b>3.78</b>
<b>Expenditure:</b>					
Contracted Services	182	904	496	462	<b>-95.61</b>
Depreciation and Amortisation	29	32	38	22	<b>-46.69</b>
Employee Related Costs	5,383	6,034	5,900	5,928	<b>-1.80</b>
Other Expenditure	582	1,084	1,363	1,134	<b>4.43</b>
<b>Total Operational Expenditure</b>	<b>6,176</b>	<b>8,054</b>	<b>7,798</b>	<b>7,545</b>	<b>-6.74</b>
<b>Net Operational (Service)</b>	<b>(3,702)</b>	<b>(5,635)</b>	<b>(5,534)</b>	<b>(5,032)</b>	<b>-11.99</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 190: Financial Performance: Planning

## 5.2.8 LED

Description	2022/23	2023/24			
	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</b>
<b>Expenditure:</b>					
Contracted Services	0	0	6	5	<b>100.00</b>
Employee Related Costs	3,951	4,326	4,198	4,193	<b>-3.18</b>
Other Expenditure	33	85	79	60	<b>-41.17</b>
Transfers and grants	0	0	0	0	<b>0</b>
<b>Total Operational Expenditure</b>	<b>3,984</b>	<b>4,411</b>	<b>4,283</b>	<b>4,258</b>	<b>-3.59</b>
<b>Net Operational (Service)</b>	<b>(3,984)</b>	<b>(4,411)</b>	<b>(4,283)</b>	<b>(4,258)</b>	<b>-3.59</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 191: Financial Performance: LED

# Annual Performance Report

## 5.2.9 Libraries

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>4,736</b>	<b>6,305</b>	<b>6,389</b>	<b>4,928</b>	<b>-27.94</b>
<b>Expenditure:</b>					
Contracted Services	0	500	500	80	<b>-527.57</b>
Depreciation and Amortisation	122	125	163	117	<b>-6.79</b>
Employee Related Costs	5,584	6,189	5,955	5,757	<b>-7.51</b>
Other Expenditure	152	171	242	150	<b>-13.86</b>
<b>Total Operational Expenditure</b>	<b>5,858</b>	<b>6,985</b>	<b>6,860</b>	<b>6,104</b>	<b>-14.44</b>
<b>Net Operational (Service)</b>	<b>(1,122)</b>	<b>(680)</b>	<b>(472)</b>	<b>(1,176)</b>	<b>42.16</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 192: Financial Performance: Libraries

## 5.2.10 Parks and Gardens

Description	2022/23	2023/24			
	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</b>
<b>Expenditure:</b>					
Contracted Services	176	339	567	536	<b>36.80</b>
Depreciation and Amortisation	39	34	35	30	<b>-13.78</b>
Employee Related Costs	5,045	5,613	5,753	5,525	<b>-1.59</b>
Other Expenditure	542	708	754	604	<b>-17.09</b>
<b>Total Operational Expenditure</b>	<b>5,802</b>	<b>6,693</b>	<b>7,108</b>	<b>6,695</b>	<b>0.02</b>
<b>Net Operational (Service)</b>	<b>(5,802)</b>	<b>(6,693)</b>	<b>(7,108)</b>	<b>(6,695)</b>	<b>0.02</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 193: Financial Performance: Parks and Gardens



# Annual Performance Report

## 5.2.11 Traffic and Licensing

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>10,010</b>	<b>11,487</b>	<b>34,165</b>	<b>32,537</b>	<b>64.70</b>
<b>Expenditure:</b>					
Contracted Services	271	770	1,902	1,611	<b>52.21</b>
Debt Impairment	9,104	10,240	31,382	27,486	<b>62.75</b>
Depreciation and Amortisation	98	184	132	99	<b>-86.60</b>
Employee Related Costs	8,695	10,141	9,753	8,991	<b>-12.79</b>
Other Expenditure	636	745	954	782	<b>4.85</b>
Transfers and Grants	0	0	0	188	<b>100.00</b>
<b>Total Operational Expenditure</b>	<b>18,804</b>	<b>22,080</b>	<b>44,123</b>	<b>39,158</b>	<b>43.61</b>
<b>Net Operational (Service)</b>	<b>(8,794)</b>	<b>(10,593)</b>	<b>(9,958)</b>	<b>(6,620)</b>	<b>-60.00</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 194: Financial Performance: Traffic and Law Enforcement

## 5.2.12 Fire Services and Disaster Management

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>12</b>	<b>8</b>	<b>2,312</b>	<b>2,299</b>	<b>0.00</b>
<b>Expenditure:</b>					
Contracted Services	552	3,284	2,938	946	<b>-247.17</b>
Depreciation and Amortisation	1	2	1	1	<b>-130.93</b>
Employee Related Costs	1,191	1,631	1,301	1,370	<b>-19.04</b>
Other Expenditure	129	176	162	153	<b>-15.23</b>
<b>Total Operational Expenditure</b>	<b>1,873</b>	<b>5,093</b>	<b>4,402</b>	<b>2,470</b>	<b>-106.22</b>
<b>Net Operational (Service)</b>	<b>(1,861)</b>	<b>(5,085)</b>	<b>(2,090)</b>	<b>(170)</b>	<b>-2883.54</b>
<i>Variances 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

# Annual Performance Report

## 5.2.13 Holiday Resorts and Campsites

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>2,893</b>	<b>2,721</b>	<b>3,757</b>	<b>2,959</b>	<b>8.05</b>
<b>Expenditure:</b>					
Contracted Services	11	90	55	39	-132.79
Depreciation and Amortisation	162	163	166	164	0.79
Employee Related Costs	4,002	4,480	4,274	3,831	-16.95
Other Expenditure	286	288	351	260	-11.01
<b>Total Operational Expenditure</b>	<b>4,460</b>	<b>5,021</b>	<b>4,846</b>	<b>4,293</b>	<b>-16.95</b>
<b>Net Operational (Service)</b>	<b>(1,567)</b>	<b>(2,300)</b>	<b>(1,089)</b>	<b>(1,334)</b>	<b>-72.39</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 196: Financial Performance: Holiday Resorts and Campsites

## 5.2.14 Stadiums and Sport Ground

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>67</b>	<b>118</b>	<b>74</b>	<b>72</b>	<b>-64.26</b>
<b>Expenditure:</b>					
Contracted Services	1	112	56	1	-8188.38
Depreciation and Amortisation	612	522	616	613	14.91
Employee Related Costs	1,106	1,183	897	983	-20.34
Other Expenditure	52	209	185	109	-92.05
<b>Total Operational Expenditure</b>	<b>1,772</b>	<b>2,026</b>	<b>1,754</b>	<b>1,707</b>	<b>-18.72</b>
<b>Net Operational (Service)</b>	<b>(1,705)</b>	<b>(1,908)</b>	<b>(1,680)</b>	<b>(1,635)</b>	<b>-16.71</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 197: Financial Performance: Stadiums and Sport Grounds

# Annual Performance Report

## 5.2.15 Community Facilities and Thusong Centres

Description	2022/23	2023/24			
	Actual	Depreciation and Amortisation	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>1,614</b>	<b>3,223</b>	<b>802</b>	<b>693</b>	<b>-365.37</b>
<b>Expenditure:</b>					
Contracted Services	169	170	145	1	-18206.34
Depreciation and Amortisation	26	103	55	24	-324.37
Employee Related Costs	880	974	943	764	-27.47
Other Expenditure	44	40	65	46	13.01
<b>Total Operational Expenditure</b>	<b>1,119</b>	<b>1,288</b>	<b>1,209</b>	<b>836</b>	<b>-54.03</b>
<b>Net Operational (Service)</b>	<b>495</b>	<b>1,935</b>	<b>(407)</b>	<b>(143)</b>	<b>1448.65</b>
<i>Variances 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

## 5.2.16 Financial Services

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>93,105</b>	<b>92,287</b>	<b>112,380</b>	<b>107,076</b>	<b>13.81</b>
<b>Expenditure:</b>					
Contracted Services	4,691	5,470	5,952	4,369	-25.19
Debt Impairment	16,421	6,951	16,660	18,090	61.58
Depreciation and Amortisation	732	799	705	735	-8.73
Employee Related Costs	22,174	26,100	23,217	22,167	-17.74
Fair Value Adjustment Losses	0	910	7,360	0	0
Finance Charges	13,042	15,789	15,006	14,961	-5.53
Loss on disposal of Non-Monetary Assets	135	0	0	666	100.00
Other Expenditure	9,526	9,622	13,929	11,250	14.48
<b>Total Operational Expenditure</b>	<b>66,720</b>	<b>65,641</b>	<b>82,829</b>	<b>72,238</b>	<b>9.13</b>
<b>Net Operational (Service)</b>	<b>26,386</b>	<b>26,647</b>	<b>29,550</b>	<b>34,838</b>	<b>23.51</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 199: Financial Performance: Financial Services

# Annual Performance Report

## 5.2.17 Office of the Municipal Manager

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>52,761</b>	<b>53,413</b>	<b>53,738</b>	<b>53,691</b>	<b>0.52</b>
<b>Expenditure:</b>					
Contracted Services	2,565	4,185	3,690	3,247	-28.91
Depreciation and Amortisation	27	26	29	23	-12.21
Employee Related Costs	6,006	8,643	8,277	7,687	-12.43
Other Expenditure	1,782	2,129	2,022	1,754	-21.35
Transfers and Grants	370	-	120	8	100.00
Remuneration of Councillors	5,697	6,139	6,192	6,081	-0.95
<b>Total Operational Expenditure</b>	<b>16,446</b>	<b>21,122</b>	<b>20,331</b>	<b>18,801</b>	<b>-12.35</b>
<b>Net Operational (Service)</b>	<b>36,315</b>	<b>32,291</b>	<b>33,407</b>	<b>34,890</b>	<b>7.45</b>
<i>Variances 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

## 5.2.18 Administration

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>2,346</b>	<b>2,644</b>	<b>4,726</b>	<b>3,120</b>	<b>15.25</b>
<b>Expenditure:</b>					
Contracted Services	6,920	8,561	7,422	7,756	-10.39
Depreciation and Amortisation	796	886	844	823	-7.72
Employee Related Costs	14,051	15,094	14,805	15,275	1.19
Other Expenditure	3,552	3,848	4,283	3,860	0.31
Transfers and grants	9	30	3	3	-1100.00
<b>Total Operational Expenditure</b>	<b>25,327</b>	<b>28,419</b>	<b>27,357</b>	<b>27,716</b>	<b>-2.54</b>
<b>Net Operational (Service)</b>	<b>(22,981)</b>	<b>(25,775)</b>	<b>(22,632)</b>	<b>(24,596)</b>	<b>-4.79</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 201: Financial Performance: Administration

# Annual Performance Report

## 5.2.19 Human Resources

Description	2022/23	2023/24			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>566</b>	<b>198</b>	<b>320</b>	<b>219</b>	<b>9.65</b>
<b>Expenditure:</b>					
Contracted Services	447	304	214	156	<b>-94.68</b>
Depreciation and Amortisation	12	13	12	12	<b>0.00</b>
Employee Related Costs	3,195	3,821	2,550	2,205	<b>-73.24</b>
Other Expenditure	1,323	840	813	704	<b>-19.30</b>
Transfers and grants	350	0	100	0	<b>0</b>
<b>Total Operational Expenditure</b>	<b>5,326</b>	<b>4,978</b>	<b>3,690</b>	<b>3,077</b>	<b>-61.76</b>
<b>Net Operational (Service)</b>	<b>(4,761)</b>	<b>(4,779)</b>	<b>(3,370)</b>	<b>(2,858)</b>	<b>-67.23</b>
<i>Variances 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	2022/23	2023/24			2023/24 Variance	
	Actual	Budget	Adjustme nt Budget	Actual	Original Budget	Adjustm ent Budget
	R'000				%	
Operating Transfers and Grants						
National Government:	100,274	146,894	134,852	123,954	-18.51	-8.79
Local Government Equitable Share	61,451	67,058	67,058	67,058	0.00	0.00
Finance Management	2,083	2,132	2,132	2,132	0.00	0.00
EPWP Incentive	1,359	1,658	1,658	1,658	0.00	0.00
Municipal Infrastructure Grant	13,056	17,896	16,699	16,323	-9.63	-2.30
Regional Bulk Infrastructure Grant	840	15,153	0	0	0	0
Water Services Infrastructure Grant	820	5,000	4,500	4,464	-12.01	-0.81
Integrated National Electrification Grant	20,665	37,997	35,000	32,003	-18.73	-9.36
Municipal Disaster Response Grant	0	0	7,805	316	100.00	-2367.93
Provincial Government:	33,822	13,735	28,209	17,619	22.05	-60.10

# Annual Performance Report

Description	2022/23	2023/24			2023/24 Variance	
	Actual	Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Transport Infrastructure Grant	0	0	0	0	0	0
Library Services: MRFG	4,703	6,282	6,370	4,913	-27.87	-29.66
Thusong Service Centre (Sustainability Operational Support)	149	120	120	1	-11136.59	11136.59
CDW Support	115	151	267	10	-1420.81	-2588.23
Human Settlement Development Grant	27,290	6,224	8,002	4,819	-29.15	-66.04
Financial Management Capability Grant	1,053	958	1,058	499	-91.80	-111.82
Municipal Interventions Grant	158	0	992	992	100.00	0.00
Municipal Water Resilience Grant	0	0	8,000	4,068	100.00	-96.64
Loadshedding Relief Grant	0	0	1,600	1,516	100.00	-5.51
PGWC Financial Management Capacity Building Grant	250	0	0	0	0	0
Public Employment Support Grant	90	0	0	0	0	0
Municipal Library Support Grant	14	0	0	0	0	0
Municipal Energy Resilience Grant	0	0	300	300	100.00	0.00
Municipal Service Delivery and Capacity Building Grant	0	0	500	500	100.00	-0.02
Municipal Financial Recovery Services	0	0	1,000	0	0	0
<b>Other grant providers:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
West Coast District Municipality	0	0	0	0	0	0
ASLA	0	0	0	0	0	0
<b>Total Operating Transfers and Grants</b>	<b>134,096</b>	<b>160,629</b>	<b>163,061</b>	<b>141,574</b>	<b>-13.46</b>	<b>-15.18</b>
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual						

Table 203: Grant Performance for 2023/24

# Annual Performance Report

## 5.3.2 Conditional Grants

Details	2022/23	2023/24			2023/24 Variance	
	Actual	Budget	Adjust- ments Budget	Actual	Variance	
	Actual (Audited Outcome)				Budget	Adjust- ments Budget
	R'000				%	
Operating Expenditure of Transfers and Grants						
National Government						
Finance Management	2,083	2,132	2,132	2,132	0.00	0.00
EPWP Incentive	1,359	1,658	1,658	1,658	0.00	0.00
Municipal Infrastructure Grant (PMU)	849	895	894	894	-0.07	0.00
Municipal Infrastructure Grant (VAT)	1,518	2,218	2,061	2,017	-9.97	-2.21
Regional Bulk Infrastructure Grant (VAT)	110	1,976	0	0	0	0
Water Services Infrastructure Grant (VAT)	116	652	587	551	-18.44	-6.59
Integrated National Electrification Grant (VAT)	2,870	4,956	35,000	32,003	84.51	-9.36
Municipal Disaster Response Grant (VAT)	0	0	1,018	41	100.00	-2367.93
Provincial Government						
Transport Infrastructure Grant	0	0	0	0	0	0
Library Services: MRFG	4,703	6,282	6,357	4,903	-28.13	-29.66
Thusong Service Centre (Sustainability Operational Support)	149	120	120	1	-11136.59	-11136.59
CDW Support	115	151	267	10	-1420.81	-2588.23
Human Settlement Development Grant	14,076	493	4,126	1,756	71.93	-134.91
Financial Management Capability Grant	1,053	958	1,058	499	-91.80	-111.82
Municipal Interventions Grant (VAT)	158	0	253	253	100.00	0.00
Municipal Water Resilience Grant (VAT)	0	0	1,043	520	100.00	-100.72
Loadshedding Relief Grant (Vat)	0	0	209	198	100.00	-5.51
PGWC Financial Management Capacity Building Grant	250	0	0	0	0	0
Public Employment Support Grant	90	0	0	0	0	0
Municipal Library Support Grant	8	0	0	0	0	0

# Annual Performance Report

Details	2022/23	2023/24			2023/24 Variance	
	Actual	Budget	Adjust- ments Budget	Actual	Variance	
	Actual (Audited Outcome)				Budget	Adjust- ments Budget
	R'000				%	
Municipal Energy Resilience Grant	0	0	300	300	100.00	0.00
Municipal Service Delivery and Capacity Building Grant	0	0	500	500	100.00	-0.02
Municipal Financial Recovery Services	0	0	1,000	0	0	0
Capital Expenditure of Transfers and Grants						
National Government						
Municipal Infrastructure Grant (MIG)	10,688	14,783	13,743	13,413	-10.22	-2.47
Regional Bulk Infrastructure Grant (RBIG)	731	13,177	0	0	0	0
Water Services Infrastructure Grant	704	4,348	3,913	3,913	0.00	0.00
Integrated National Electrification Grant (INEG)	17,796	33,041	0	0	0	0
Municipal Disaster Response Grant	0	0	6,787	275	100.00	-2367.93
Provincial Government:						
Human Settlement Development Grant (Capital)	13,214	5,731	3,876	3,063	-87.11	-26.55
Municipal Interventions Grant	0	0	739	739	100.00	0.00
Municipal Water Resilience Grant	0	0	6,957	3,548	100.00	-96.05
Loadshedding Relief Grant	0	0	1,391	1,319	100.00	-5.51
Municipal Library Support Grant (Capital)	5	0	0	0	0	0
Library Services MRF Capital	0	0	13	10	100.00	-29.72
Total	72,645	93,571	96,003	74,516	-25.57	-28.84
* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in par 5.9.2. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

Table 204: Conditional Grant



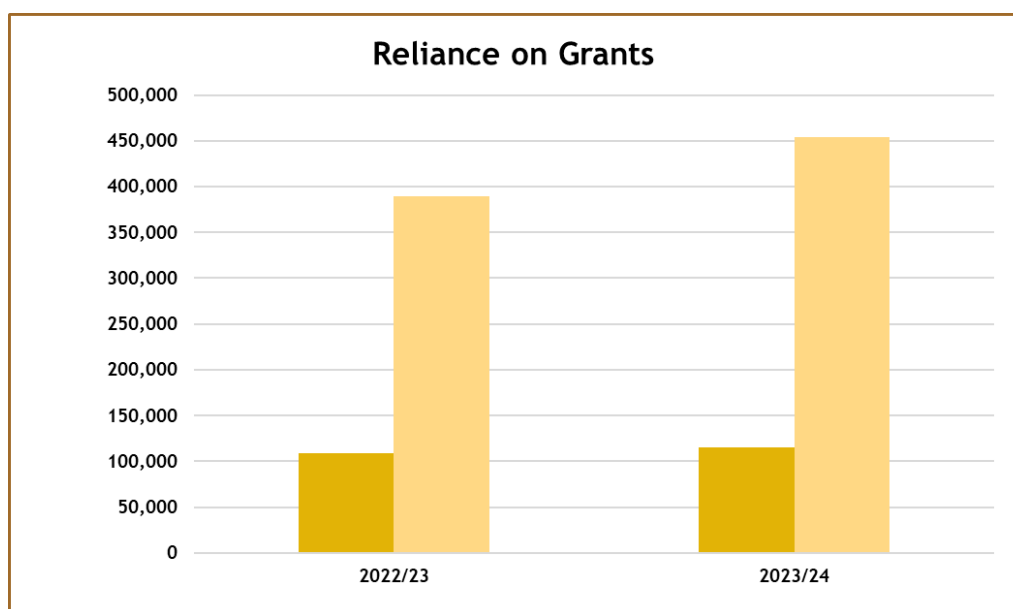
# Annual Performance Report

## 5.3.3 Level of Reliance on Grants & Subsidies

Financial year	Total grants and subsidies received	Total Operating Revenue	Percentage
	R'000		%
2022/23	108,753	389,565	<b>27.92</b>
2023/24	115,294	453,971	<b>25.40</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 Repairs and Maintenance

Description	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Budget variance
		R' 000			%
Repairs and Maintenance Expenditure	27,447	33,207	34,576	29,682	-14.15

Table 206: Repairs & Maintenance

# Annual Performance Report

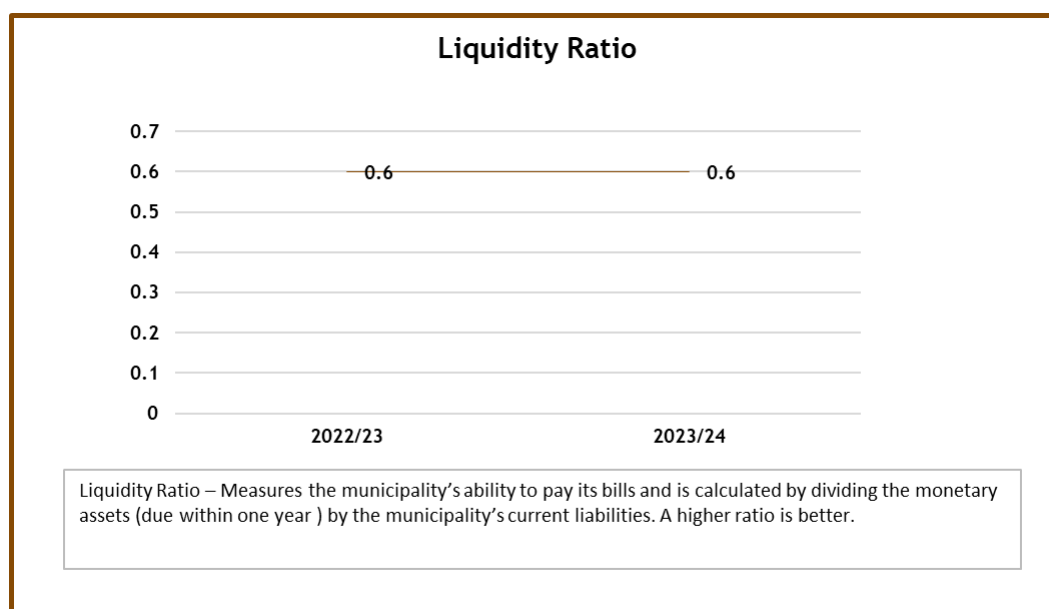
## 5.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

### 5.5.1 Liquidity Ratio

Description	Basis of calculation	2022/23	2023/24
Current Ratio	Current assets/current liabilities	1.18	1.18
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	N/A	N/A
Liquidity Ratio	Monetary assets/current liabilities	0.60	0.60

Table 207: Liquidity Financial Ratio

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



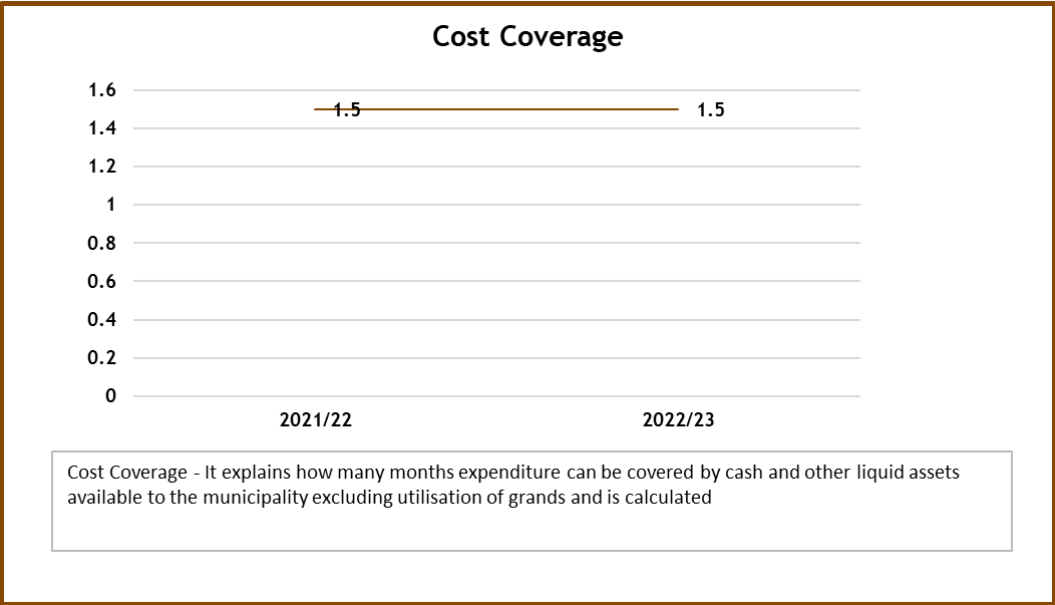
Graph 6: Liquidity Ratio

### 5.5.2 IDP Regulation Financial Viability Indicators

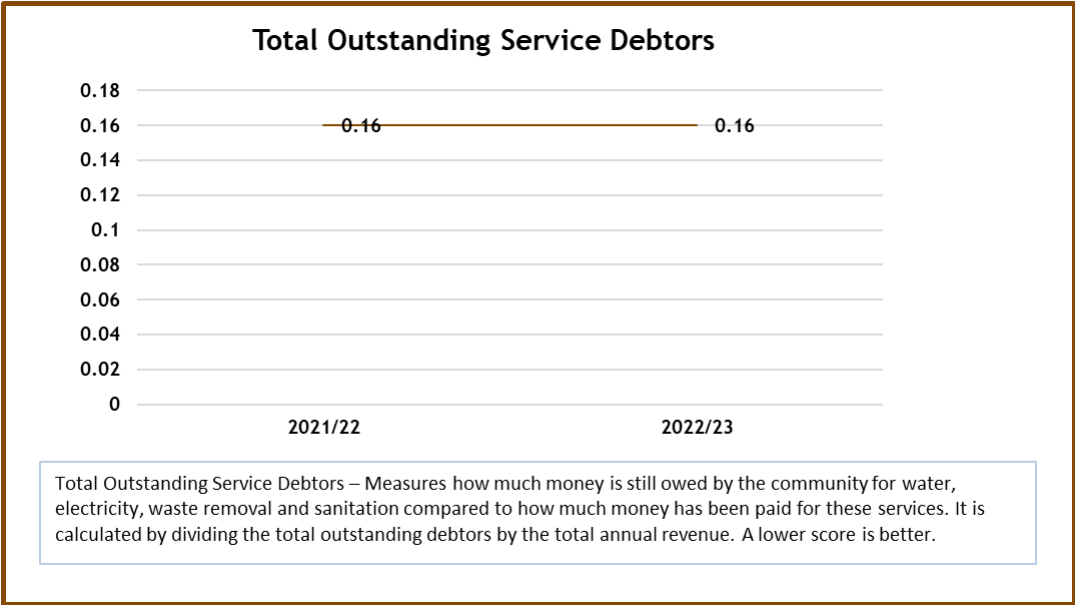
Description	Basis of calculation	2022/23	2023/24
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.50	1.50
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.16	0.16
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	204.80	201.14

Table 208: Financial Viability National KPAs

# Annual Performance Report

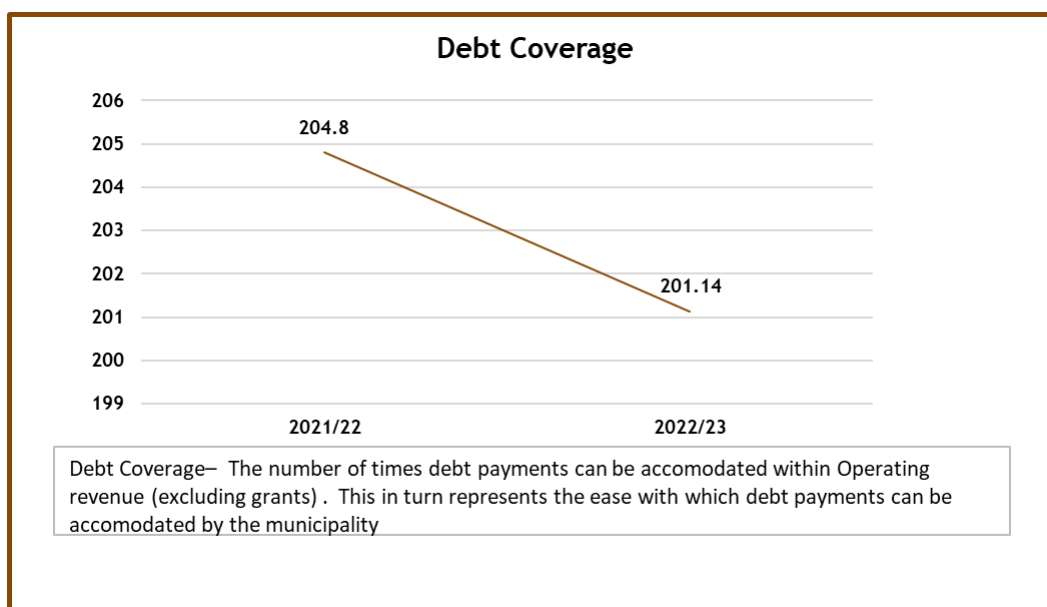


Graph 7: Cost Coverage



Graph 8: Total Outstanding Service Debtors

# Annual Performance Report



Graph 9: Debt Coverage

## 5.5.3 Borrowing Management

Description	Basis of calculation	2022/23	2023/24
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1.50	1.50

Table 209: Borrowing Management

## 5.5.4 Employee costs

Description	Basis of calculation	2022/23	2023/24
Employee costs	Employee costs/(Total Revenue - capital revenue)	31.96%	28.82%

Table 210: Employee Costs

## 5.5.5 Repairs & Maintenance

Description	Basis of calculation	2022/23	2023/24
Repairs & Maintenance	R&M (Total Revenue excluding capital revenue)	7.05%	6.54%

Table 211: Repairs & Maintenance

# Annual Performance Report

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### 5.6 SOURCES OF FINANCE

#### 5.6.1 Capital Expenditure by New Assets Program

Description	2022/23	2023/24			Planned Capital expenditure		
	Audited outcome	Original Budget	Adjustment Budget	Actual Expenditure	2024/25	2025/26	2026/27
R'000							
Capital expenditure by Asset Class							
<b>Infrastructure - Total</b>	<b>32,337</b>	<b>63,566</b>	<b>47,641</b>	<b>13,576</b>	<b>56,065</b>	<b>64,383</b>	<b>68,754</b>
<b>Infrastructure: Road transport - Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Roads, Pavements & Bridges	0	0	0	0	0	0	0
Stormwater	0	0	0	0	0	0	0
<b>Infrastructure: Electricity - Total</b>	<b>17,923</b>	<b>33,041</b>	<b>30,435</b>	<b>0</b>	<b>11,712</b>	<b>7,826</b>	<b>4,303</b>
Generation	0	0	0	0	0	0	0
Transmission & Reticulation	17,923	33,041	30,435	0	11,712	7,826	4,303
Street Lighting	0	0	0	0	0	0	0
<b>Infrastructure: Water - Total</b>	<b>2,478</b>	<b>18,908</b>	<b>9,702</b>	<b>6,366</b>	<b>22,746</b>	<b>13,927</b>	<b>19,960</b>
Dams & Reservoirs	0	0	5,826	3,303	3,913	0	0
Water Purification	0	0	0	0	0	0	0
Reticulation	2,478	18,908	3,876	3,063	18,833	13,927	19,960
<b>Infrastructure: Sanitation - Total</b>	<b>11,936</b>	<b>11,618</b>	<b>7,504</b>	<b>7,209</b>	<b>19,107</b>	<b>34,783</b>	<b>39,130</b>
Reticulation	11,936	0	0	0	0	0	0
Sewerage Purification	0	11,618	7,504	7,209	19,107	34,783	39,130
<b>Infrastructure: Other - Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,500</b>	<b>7,848</b>	<b>5,361</b>
Waste Management	0	0	0	0	2,500	7,848	5,361
Transportation	0	0	0	0	0	0	0
Gas	0	0	0	0	0	0	0
<b>Community - Total</b>	<b>1,317</b>	<b>2,576</b>	<b>492</b>	<b>530</b>	<b>10,153</b>	<b>0</b>	<b>0</b>
Parks & Gardens	0	0	0	0	0	0	0
Sports Fields & Stadia	0	0	0	0	0	0	0

# Annual Performance Report

Description	2022/23	2023/24			Planned Capital expenditure		
	Audited outcome	Original Budget	Adjustment Budget	Actual Expenditure	2024/25	2025/26	2026/27
R'000							
Swimming Pools	0	0	0	0	0	0	0
Community Halls	1,199	2,576	492	530	10,153	0	0
Libraries	0	0	0	0	0	0	0
Recreational Facilities	0	0	0	0	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	0	0	0	0	0	0
Other	117	0	0	0	0	0	0
<b>Capital expenditure by Asset Class</b>	<b>1,533</b>	<b>7,915</b>	<b>24,584</b>	<b>23,348</b>	<b>2,986</b>	<b>300</b>	<b>300</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>1,533</b>	<b>7,915</b>	<b>24,584</b>	<b>23,348</b>	<b>2,986</b>	<b>300</b>	<b>300</b>
General Vehicles	0	5,000	17,571	18,745	1,210	0	0
Plant & Equipment	1,231	1,750	5,382	3,256	705	0	0
Computers - Hardware/Equipment	245	1,165	1,513	1,262	1,071	300	300
Furniture And Other Office Equipment	57	0	117	85	0	0	0
Markets	0	0	0	0	0	0	0
Other Buildings	0	0	0	0	0	0	0
Other Land	0	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>35,186</b>	<b>74,057</b>	<b>72,716</b>	<b>37,453</b>	<b>69,205</b>	<b>64,683</b>	<b>69,054</b>

Table 212: Capital Expenditure by New Assets Program

# Annual Performance Report

## 5.6.1 Capital Expenditure: Funding Sources

The table below indicates the capital expenditure by funding source for the 2022/23 financial year:

Capital Expenditure: Funding Sources						
Details	2022/23	2023/24				
	Audited outcome	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
Source of Finance						
Description	R'000				%	
External loans	0	0	0	0	0.00	0.00
Public contributions and donations	0	0	0	0	0.00	0.00
Grants and subsidies	25,343	71,080	37,419	26,280	-47.36	-15.67
Own funding	4,910	14,915	16,245	15,383	8.92	-5.78
Total	30,253	85,995	53,664	41,662	-37.60	-13.96
Percentage of Finance						
External loans	0	0	0	0		
Public contributions and donations	0	0	0	0		
Grants and subsidies	84	83	70	63		
Own funding	16	17	30	37		
Capital Expenditure						
Description	R'000				%	
Water and Sanitation	11,936	11,618	7,504	7,209	-35.41	-2.54
Electricity	17,923	33,041	30,435	0	-7.89	-92.11
Housing	0	0	0	0	0.00	0.00
Roads and Stormwater	0	0	0	0	0.00	0.00
Other	5,327	29,398	34,777	30,244	18.30	-15.42
Total	35,186	74,057	72,716	37,453	-1.81	-47.62
Percentage of Expenditure						
Water and sanitation	34	16	10	19		
Electricity	51	45	42	0		
Housing	0	0	0	0		
Roads and stormwater	0	0	0	0		
Other	15	40	48	81		

Table 213: Capital Expenditure by Funding Source

# Annual Performance Report

## 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	2022/23	2023/24		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
	R'000			
Cash flow from operating activities				
Receipts				
Ratepayers and other	237,027	240,002	257,828	259,083
Government - operating	112,772	89,549	123,603	124,110
Government - capital	25,343	71,080	28,445	26,280
Interest	5,319	8,010	8,520	8,494
Dividends	0	0	0	0
Payments				
Suppliers and employees	(324,634)	(316,673)	(390,444)	(336,781)
Finance charges	(3,907)	(5,504)	(1,674)	(497)
Transfers and Grants	(728)	(30)	(223)	(198)
Net cash from/(used) operating activities	51,191	86,434	26,054	80,491
Cash flows from investing activities				
Receipts				
Proceeds on disposal of PPE	70	2,500	2,000	697
Decrease (increase) in non-current debtors	0	0	0	0
Decrease (increase) other non-current receivables	0	0	0	0
Decrease (increase) in non-current investments	0	0	0	0
Payments				
Capital assets	(30,829)	(85,995)	(53,664)	(46,970)
Net cash from/(used) investing activities	(30,759)	(83,495)	(51,664)	(46,273)
Cash flows from financing activities				
Receipts				



# Annual Performance Report

Cash Flow Outcomes				
R'000				
Description	2022/23	2023/24		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
	R'000			
Consumer Deposits	256	221	221	203
Borrowing long term/refinancing	0	0	0	0
Payments				
Repayment of borrowing	(3,726)	(1,956)	(1,942)	(1,941)
<b>Net cash from/(used) financing activities</b>	<b>(3,470)</b>	<b>(1,735)</b>	<b>(1,721)</b>	<b>(1,738)</b>
<b>Net increase/ (decrease) in cash held</b>	<b>16,962</b>	<b>1,205</b>	<b>(27,331)</b>	<b>32,481</b>
<b>Cash/cash equivalents at the year begin:</b>	<b>11,815</b>	<b>28</b>	<b>28,778</b>	<b>28,778</b>
<b>Cash/cash equivalents at the yearend:</b>	<b>28,778</b>	<b>1,233</b>	<b>1,447</b>	<b>61,258</b>
Source: MBRR SA7				

Table 214: Cash Flow

## 5.8 GROSS OUTSTANDING DEBTORS PER SERVICE

Financial year	Rates	Availability Charges	Trading services	Economic services	Housing rentals	Other	Total
			(Electricity and Water)	(Sanitation and Refuse)			
	R'000						
2022/23	38,753	103,651	0	0	0	142,404	38,753
2023/24	44,923	109,626	0	0	0	154,550	44,923
Difference	6,170	5,975	0	0	0	12,146	6,170
% growth year on year	16	6	0	0	0	9	16
Note: Figures exclude provision for bad debt							

Table 215: Gross Outstanding Debtors per Service

# Annual Performance Report

## 5.9 TOTAL DEBTORS AGE ANALYSIS

Financial year	0 - 30 Days (Current)	1 to 3 months	4 months to 1 year	Over 1 year	Total
	R'000				
2022/23	26,544	19,450	29,267	67,142	142,404
2023/24	27,268	20,500	34,651	72,130	154,550
Difference	724	1,050	5,384	4,988	12,146
% growth year on year	3	5	18	7	9
Note: Figures exclude provision for bad debt					

Table 216: 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	2022/23	2023/24
	R'000	
Long-term loans (annuity/reducing balance)	3,872	2,263
Financial leases	513	181
<b>Total</b>	<b>4,385</b>	<b>2,445</b>

Table 217: Actual Borrowings

# Annual Performance Report

## 5.10.2 Municipal Investments

Actual Investments		
R'000		
Investment type	2022/23	2023/24
	Actual	
	R'000	
Deposits - Bank	22,455	51,234
<b>Total</b>	<b>22,455</b>	<b>51,234</b>

Table 218: 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 2023/24	Total amount committed over previous and future years
		R'000	
Bursaries	n/a	0	0
Sport Councils	n/a	0	0
Social Relief	n/a	0	0

Table 219: Grants Made by the Municipality

# Annual Performance Report

## CHAPTER 6

### COMPONENT A: AUDITOR-GENERAL OPINION 2022/23

#### 6.1 AUDITOR-GENERAL REPORT 2022/23

2023/24	
Unqualified with findings	
Main Issues under emphasis of matter	Corrective steps implemented/to be implemented
Restatement of corresponding figures	
As disclosed in note 45 to the financial statements, the corresponding figures for 30 June were restated as a result of error in the financial statements of the municipality at and for the year ended 30 June 2023	The matter was corrected in the financial statements of 2023/24.
Material Impairments	
As disclosed in note 3 to the financial statements, the municipality provided for the impairment of receivables from exchanges transactions of R70 373 186 (2022/23: R57 665 699).	This is due to non-payment of debtors for service charges. This amount is cumulative from the 2022/23 financial year. The current year movement amounts to R14.598m, with debt written off of R1.890m. Credit control measures are enforced.
As disclosed in note 4 to the financial statements, the municipality provided for the impairment of receivables from non-exchanges transactions of R54 567 7760 (2022/23: R40 921 114).	This is due to non-payment of debtors for property rates and availability charges, as well as non-payment of traffic fines. This amount is cumulative from the 2022/23 financial year. The current year movement amounts to R20.363m, with debt written off of R6.716m. Majority of the allowance for impairment is due to Property Rates and Traffic Fines. All unpaid traffic fines older than 1 year are impaired in full.
As disclosed in note 11 to the financial statements, the municipality provided for the accumulated impairment of the Lamberts Bay Desalination Plant of R10 924 655 (2022/23: R10 924 655).	Due to geo-technical complications the project has been delayed. The Geo-technical complication resulted in the difference of opinion between the Municipality and the contractor which ultimately led to a process of adjudication. A final decision by the adjudicator was only reached towards the end of the 2023/24 financial year. The Municipality is now in the process of determining the most feasible manner to proceed with the project. The significant time it is taking to complete the project led to wear and tear on components and this triggered indicators for impairment.
Underspending of conditional grants	
As disclosed in note 21, the municipality materially underspent on the Municipal Infrastructure Grant (MIG) by R2 739 284.	The underspending as on the Citrusdal Roads and Stormwater project. This was a roll-over approved in respect of the 2022/23 financial year. Significant delays were experienced in the completing the project, which led to time-related claims being made against the Municipality. This in turn led in an ongoing process of consultation and adjudication. The process was only finished in April 2023. The funds have been returned to the NRF.

Table 220: AG Report on Financial Performance 2022/23

# Annual Performance Report

## COMPONENT B: AUDITOR-GENERAL OPINION 2023/24

### 6.2 AUDITOR-GENERAL REPORT 2023/24

Information pending the Audit Report for 2023/24

2023/24	
Unqualified with findings	
Main Issues under emphasis of matter	Corrective steps implemented/to be implemented
Material Impairments	
As disclosed in note 3 to the financial statements, the municipality provided for the impairment of receivables from exchange transactions of R68 460 242 (2022-23: R69 626 763).	This is due to non-payment of debtors for service charges. This amount is cumulative from the 2022/23 financial year. Credit control measures are enforced. Impairment is based on the average collection rate of the Municipality.
As disclosed in note 4 to the financial statements, the municipality provided for the impairment of receivables from non-exchange transactions of R69 930 648 (2022-23: R54 567 760).	This is due to non-payment of debtors for property rates and availability charges, as well as non-payment of traffic fines. This amount is cumulative from the 2022/23 financial year. Majority of the allowance for impairment is due to Property Rates and Traffic Fines. All unpaid traffic fines older than 1 year are impaired in full.
As disclosed in note 11 to the financial statements, the municipality provided for an accumulated impairment of infrastructure assets of R52 472 844 (2022-2023: R36 832 937). This relates to the Lamberts' bay desalination plant needing to be refurbished as it is taking longer to complete due to geotechnical challenges experienced in completing the marine outfall phase of the project.	Due to the delay in the completion of the desalination plant the incomplete assets underwent wear and tear. The asset was also vandalised. When an asset verification was done it was determined that the asset must be impaired.  Impairment was done based on the technical review/assessment by the desalination plant expert service providers.  The asset will be refurbished and completed pending funding.
As disclosed in note 51.2 to the financial statements, the municipality incurred irregular expenditure of R16 603 924, as a result of non-compliance with procurement laws and regulations	This was as result of interpretation differences between the AG and the Municipality. Corrective measures have been put in place to address irregular expenditure.
Underspending of conditional grants	
The municipality received grants totalling R107 814 206 to fund its programmes and projects in the current year. We audited compliance with the Division of Revenue Act and the use of the following grants: <ul style="list-style-type: none"> <li>- Municipal Infrastructure Grant (MIG)</li> <li>- Water Services Infrastructure Grant (WSIG)</li> </ul> Integrated National Electrification Programme (Eskom) Grant	Management will ensure all grant funding is completely spent within the financial year.

Table 221: AG Report on Financial Performance 2023/24

# 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>CMTF</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 2024**

# CEDERBERG LOCAL MUNICIPALITY

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# CEDERBERG LOCAL MUNICIPALITY

## GENERAL INFORMATION

### NATURE OF BUSINESS

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

### LEGAL FORM

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

### JURISDICTION

The Cederberg Local Municipality includes the following areas:

Algeria	Graafwater
Clanwilliam	Leipoltville
Lamberts Bay	Elands Bay
Citrusdal	

### MEMBERS OF THE COUNCIL

Ward 1	Cllr AM Scheepers	
Ward 2	Cllr F Kamfer	(resigned 4 June 2024)
Ward 3	Cllr M Heins	
Ward 4	Cllr PJ Strauss	
Ward 5	Cllr JP Hayes	
Ward 6	Cllr AG Mouton	
Proportional	Cllr RR Richards	
Proportional	Cllr WJ Farmer	
Proportional	Cllr L Venter	
Proportional	Cllr JH van Heerden	
Proportional	Cllr MG Bergh	

### MEMBERS OF THE MAYORAL COMMITTEE

Cllr RR Richards (Executive Mayor)  
Cllr AG Mouton (Deputy Executive Mayor)  
Cllr JP Hayes (Speaker)  
Cllr L Venter  
Cllr JH van Heerden

### MUNICIPAL MANAGER

Mr GF Matthyse

### CHIEF FINANCIAL OFFICER

Mr MAN Smit (permanently appointed from 1 July 2023 to 31 May 2024 and acted from 1 June 2024 to 30 June 2024)

### AUDIT COMMITTEE

Omar Valley (Chairperson)  
Charles Beukes  
Omphile Sehunelo

### REGISTERED OFFICE

2A Voortrekker Road  
Clanwilliam  
8135

### POSTAL ADDRESS

Private Bag x2  
Clanwilliam  
8135

# CEDERBERG LOCAL MUNICIPALITY

## GENERAL INFORMATION

### AUDITORS

Office of the Auditor General (WC)

### PRINCIPLE BANKERS

Standard Bank of South Africa Ltd

### ATTORNEYS

Sithole Mokomane Attorneys

Bright Rikhotso

Lizel Venter

Turner Ntshingana Kirsten Ravens

Enderstein Malumbete

Cheadle Thompson and Haysom

Wesley Pretorius and Associates

### 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, 2000

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 2024, which are set out on pages 1 to 96 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

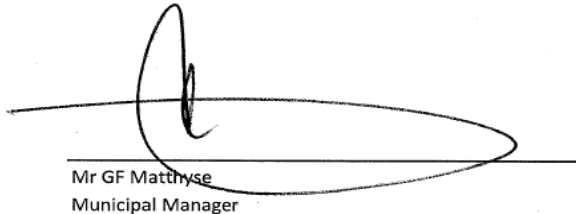
The annual financial statements have been prepared in accordance with GRAP, including any interpretations, guidelines and directives issued by the Accounting Standards Board (ASB).

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 2025 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 GF Matthyse  
Municipal Manager

31 AUGUST 2024  
Date



# CEDERBERG LOCAL MUNICIPALITY

## STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2024

	Notes	2024 R (Actual)	2023 R (Restated)
<b>ASSETS</b>			
<b>Current Assets</b>		<b>121 913 762</b>	<b>76 984 721</b>
Cash and Cash Equivalents	2	61 258 215	28 777 549
Receivables from Exchange Transactions	3	32 408 431	26 213 542
Receivables from Non-Exchange Transactions	4	16 011 936	12 039 029
Taxes	5	9 765 945	8 544 429
Operating Lease Assets	6	-	112
Current Portion of Long-term Receivables	7	1 296 291	363 463
Inventory	8	1 172 943	1 046 596
<b>Non-Current Assets</b>		<b>682 711 291</b>	<b>680 545 939</b>
Long-term Receivables	7	1 599 532	71 945
Investment Property	10	74 264 903	74 324 391
Property, Plant and Equipment	11	606 140 429	605 305 897
Intangible Assets	12	706 426	843 706
<b>Total Assets</b>		<b>804 625 053</b>	<b>757 530 660</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>		<b>102 891 059</b>	<b>116 545 248</b>
Current Portion of Long-term Liabilities	13	13 264 684	27 328 579
Consumer Deposits	14	2 997 700	2 794 971
Payables from Exchange Transactions	15	53 858 510	61 546 705
Unspent Conditional Government Grants	16	14 101 408	8 414 527
Operating Lease Liabilities	6	-	774
Current Employee Benefits	17	14 612 178	13 233 983
Current Provisions	18	4 056 578	3 225 709
<b>Non-Current Liabilities</b>		<b>123 165 588</b>	<b>102 848 707</b>
Long-term Liabilities	13	26 623 639	16 528 526
Employee Benefits	19	35 509 000	33 639 001
Non-Current Provisions	20	61 032 949	52 681 181
<b>Total Liabilities</b>		<b>226 056 647</b>	<b>219 393 955</b>
<b>NET ASSETS</b>		<b>578 568 406</b>	<b>538 136 705</b>
<b>COMMUNITY WEALTH</b>			
Accumulated Surplus		578 568 406	538 136 705
		<b>578 568 406</b>	<b>538 136 705</b>



# CEDERBERG LOCAL MUNICIPALITY

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2024

	Notes	2024 R (Actual)	2023 R (Restated)
<b>REVENUE</b>			
<b>REVENUE FROM NON-EXCHANGE TRANSACTIONS</b>		<b>233 312 586</b>	<b>191 652 283</b>
<b>Taxation Revenue</b>		<b>73 692 932</b>	<b>70 382 140</b>
Property Rates	21	73 692 932	70 382 140
<b>Transfer Revenue</b>		<b>107 814 206</b>	<b>99 354 422</b>
Government Grants and Subsidies - Operating	22	81 534 606	74 011 713
Government Grants and Subsidies - Capital	22	26 279 599	25 342 709
<b>Other Revenue</b>		<b>51 805 449</b>	<b>21 915 721</b>
Availability Charges	23	3 629 486	3 256 432
Insurance Refund	24	112 012	20 948
Fines, Penalties and Forfeits	25	32 934 099	10 569 862
Fair Value Adjustment Gains	26	9 579 622	8 068 480
Debt Forgiveness	27	5 550 229	-
<b>REVENUE FROM EXCHANGE TRANSACTIONS</b>		<b>218 728 906</b>	<b>188 513 594</b>
<b>Operating Activities</b>		<b>218 728 906</b>	<b>188 513 594</b>
Service Charges	28	190 638 712	166 783 827
Rental of Facilities and Equipment	29	969 797	747 106
Interest Earned - External Investments	30	5 190 675	2 020 003
Interest Earned - Outstanding Debtors	31	12 325 085	9 776 434
Agency Services	32	4 299 701	3 782 284
Other Income	33	5 304 935	5 403 939
<b>CONSTRUCTION CONTRACTS</b>	34	<b>33 759 391</b>	<b>34 741 544</b>
<b>TOTAL REVENUE</b>		<b>485 800 883</b>	<b>414 907 421</b>
<b>EXPENDITURE</b>			
Employee Related Costs	35	131 576 928	125 094 311
Remuneration of Councillors	36	6 081 304	5 697 499
Debt Impairment	37	50 383 603	34 315 238
Depreciation and Amortisation	38	26 567 369	25 155 199
Impairment	39	15 639 907	25 182 218
Finance Charges	40	14 961 296	13 041 609
Bulk Purchases	41	106 125 126	93 448 281
Contracted Services	42	56 826 535	53 319 387
Transfers and Grants	43	198 026	727 711
Other Expenditure	44	36 343 258	33 300 492
Loss on disposal of Non-Monetary Assets	45	665 827	135 125
<b>TOTAL EXPENDITURE</b>		<b>445 369 180</b>	<b>409 417 069</b>
<b>NET SURPLUS FOR THE YEAR</b>		<b>40 431 702</b>	<b>5 490 352</b>

# CEDERBERG LOCAL MUNICIPALITY

## STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDING 30 JUNE 2024

	ACCUMULATED SURPLUS R	TOTAL R
<b>Balance on 30 June 2022</b>	<b>568 694 322</b>	<b>568 694 322</b>
Correction of error restatement - note 46.7	(36 047 967)	(36 047 967)
<b>Balance on 30 June 2022 - Restated</b>	<b>532 646 355</b>	<b>532 646 355</b>
Net Surplus for the year	5 490 350	5 490 350
<b>Balance on 30 June 2023 - Restated</b>	<b>538 136 705</b>	<b>538 136 705</b>
Net Surplus for the year	40 431 701	40 431 701
<b>Balance on 30 June 2024</b>	<b>578 568 406</b>	<b>578 568 406</b>



# CEDERBERG LOCAL MUNICIPALITY

## CASH FLOW STATEMENT FOR THE YEAR ENDING 30 JUNE 2024

	Notes	2024 R (Actual)	2023 R (Restated)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Property Rates		66 481 290	63 297 610
Service Charges		177 380 685	161 342 718
Other Revenue and Receipts		52 180 406	48 668 046
Government Grants		113 633 510	102 088 379
Interest		8 494 207	5 318 583
<b>Payments</b>			
Suppliers and employees		(336 780 564)	(324 633 892)
Finance charges		(497 399)	(3 906 932)
Transfers and Grants		(198 026)	(727 711)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>48</b>	<b>80 694 110</b>	<b>51 446 801</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
<b>Receipts</b>			
Proceeds from sale of Property, Plant and Equipment		697 217	69 989
<b>Payments</b>			
Purchase of Property, Plant and Equipment		(46 970 037)	(30 828 782)
<b>NET CASH USED INVESTING ACTIVITIES</b>		<b>(46 272 819)</b>	<b>(30 758 793)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
<b>Payments</b>			
Loans repaid		(1 940 625)	(3 725 600)
<b>NET CASH USED FINANCING ACTIVITIES</b>		<b>(1 940 625)</b>	<b>(3 725 600)</b>
<b>NET INCREASE IN CASH HELD</b>		<b>32 480 666</b>	<b>16 962 409</b>
Cash and Cash Equivalents at the beginning of the year		28 777 549	11 815 140
Cash and Cash Equivalents at the end of the year		61 258 215	28 777 549



# CEDERBERG LOCAL MUNICIPALITY

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2024

	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 and Cash Equivalents	1 232 820	213 721	1 446 541	61 258 215	59 811 675
Trade and Other Receivables from Exchange Transactions	21 813 062	(1 187 021)	20 626 042	32 408 431	11 782 390
Receivables from Non-Exchange Transactions	11 013 601	(3 593 814)	7 419 787	16 011 936	8 592 149
Current Portion of Non-Current Receivables	-	1 976 609	1 976 609	1 296 291	(680 318)
Inventory	1 454 401	(407 805)	1 046 596	1 172 943	126 347
VAT	8 289 923	141 742	8 431 665	9 765 945	1 334 280
Other Current Assets	222	(110)	112	-	(112)
<b>Total Current Assets</b>	<b>43 804 029</b>	<b>(2 856 678)</b>	<b>40 947 352</b>	<b>121 913 762</b>	<b>80 966 411</b>
<b>Non Current Assets</b>					
Investment Property	74 291 570.69	(31 180)	74 260 390.94	74 264 903	4 512
Property, Plant and Equipment	751 485 011	(58 858 834)	692 626 177	606 140 429	(86 485 748)
Intangible Assets	686 991	(44 284)	642 707	706 426	63 719
Trade and Other Receivables from Exchange Transactions	-	5 140 079	5 140 079	1 599 532	(3 540 547)
<b>Total Non Current Assets</b>	<b>826 463 574</b>	<b>(53 794 219)</b>	<b>772 669 355</b>	<b>682 711 291</b>	<b>(89 958 064)</b>
<b>TOTAL ASSETS</b>	<b>870 267 603</b>	<b>(56 650 897)</b>	<b>813 616 706</b>	<b>804 625 053</b>	<b>(8 991 653)</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Financial Liabilities	1 984 078	10 400 484	12 384 562	13 264 684	880 122
Consumer Deposits	2 970 482	45 861	3 016 343	2 997 700	(18 643)
Trade and Other Payables from Exchange Transactions	103 203 215	(80 698 049)	22 505 165	53 858 510	31 353 345
Trade and Other Payables from Non-Exchange Transaction	509 637	(509 637)	-	14 101 408	14 101 408
Provisions	15 340 494	(1 944 511)	13 395 983	18 668 756	5 272 773
Other Current Liabilities	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>124 007 905</b>	<b>(72 705 851)</b>	<b>51 302 054</b>	<b>102 891 059</b>	<b>51 589 005</b>
<b>Non Current Liabilities</b>					
Financial Liabilities	444 616	29 826	474 442	475 841	1 399
Provision	102 757 780	(6 339 599)	96 418 181	96 541 949	123 768
Long-term Portion of Trade Payables	-	24 113 402	24 113 402	26 147 798	2 034 396
<b>Total Non Current Liabilities</b>	<b>103 202 396</b>	<b>17 803 629</b>	<b>121 006 025</b>	<b>123 165 588</b>	<b>2 159 563</b>
<b>TOTAL LIABILITIES</b>	<b>227 210 301</b>	<b>(54 902 223)</b>	<b>172 308 078</b>	<b>226 056 647</b>	<b>53 748 568</b>
<b>NET ASSETS</b>	<b>643 057 302</b>	<b>(1 748 674)</b>	<b>641 308 628</b>	<b>578 568 406</b>	<b>(62 740 222)</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
Accumulated Surplus	643 057 302	(1 748 674)	641 308 628	578 568 406	(62 740 222)
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>643 057 302</b>	<b>(1 748 674)</b>	<b>641 308 628</b>	<b>578 568 406</b>	<b>(62 740 222)</b>

Refer to note 50.2 for explanations of material variances.

Material variances are considered to be any variances greater than R 4.0 million.



# CEDERBERG LOCAL MUNICIPALITY

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2024

	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>							
<b>Exchange Revenue</b>							
Service charges - Electricity	110 745 995	11 835 005	122 581 000	-	122 581 000	127 401 381	4 820 381
Service charges - Water	31 298 000	(325 000)	30 973 000	-	30 973 000	32 780 700	1 807 700
Service charges - Waste Water Management	14 660 000	(457 000)	14 203 000	-	14 203 000	16 350 614	2 147 614
Service charges - Waste Management	15 272 000	(2 515 000)	12 757 000	-	12 757 000	14 106 018	1 349 018
Sale of Goods and Rendering of Services	4 240 314	984 609	5 224 923	-	5 224 923	4 559 879	(665 044)
Agency services	3 841 325	529 095	4 370 420	-	4 370 420	4 299 701	(70 719)
Interest Earned from Receivables (Exchange)	10 875 582	(4 328 582)	6 547 000	-	6 547 000	8 117 192	1 570 192
Interest Earned from Current and Non Current Assets	1 269 358	3 522 683	4 792 041	-	4 792 041	5 190 675	398 634
Rental from Fixed Assets	941 152	(117 225)	823 927	-	823 927	969 797	145 870
Licences and Permits	-	12 000	12 000	-	12 000	11 059	(941)
Operational Revenue (Exchange)	703 993	86 388	790 381	-	790 381	846 009	55 628
<b>Non-Exchange Revenue</b>							
Property Rates	73 339 000	537 000	73 876 000	-	73 876 000	73 692 932	(183 068)
Surcharges and Taxes	1 000	-	1 000	-	1 000	-	(1 000)
Fines, Penalties and Forfeits	11 554 990	22 718 445	34 273 435	-	34 273 435	32 934 099	(1 339 336)
Transfers and Subsidies - Operational	89 549 377	36 092 099	125 641 476	-	125 641 476	115 293 997	(10 347 479)
Interest Earned from Receivables (Non-Exchange)	-	4 212 000	4 212 000	-	4 212 000	4 207 894	(4 106)
Operational Revenue (Non-Exchange)	-	3 644 000	3 644 000	-	3 644 000	3 629 486	(14 514)
Gains on Disposal of Assets	2 500 000	(500 000)	2 000 000	-	2 000 000	-	(2 000 000)
Other Gains	910 000	13 693 000	14 603 000	-	14 603 000	9 579 622	(5 023 378)
<b>Total Revenue (excluding capital transfers)</b>	<b>371 702 086</b>	<b>89 623 517</b>	<b>461 325 603</b>	<b>-</b>	<b>461 325 603</b>	<b>453 971 055</b>	<b>(7 354 548)</b>
<b>EXPENDITURE</b>							
Employee Related Costs	144 683 374	(8 553 055)	136 130 319	-	136 130 319	130 819 444	(5 310 875)
Remuneration of Councillors	6 138 858	53 142	6 192 000	-	6 192 000	6 081 304	(110 696)
Bulk Purchases - Electricity	95 123 000	7 542 000	102 665 000	-	102 665 000	105 502 654	2 837 654
Inventory Consumed	12 291 467	2 288 284	14 579 751	137 003	14 716 754	10 927 259	(3 789 495)
Debt Impairment	30 239 000	25 973 000	56 212 000	-	56 212 000	50 383 603	(5 828 397)
Depreciation and Amortisation	29 617 000	13 989 000	43 606 000	-	43 606 000	42 207 276	(1 398 724)
Interest	15 789 000	(783 000)	15 006 000	-	15 006 000	14 961 296	(44 704)
Contracted Services	33 650 973	34 159 755	67 810 728	(299 097)	67 511 631	56 826 535	(10 685 096)
Transfers and Subsidies	30 000	193 278	223 278	-	223 278	198 026	(25 252)
Operational Costs	26 327 564	3 580 591	29 908 155	162 094	30 070 249	26 795 954	(3 274 295)
Losses on Disposal of Assets	-	-	-	-	-	665 827	665 827
Other Losses	910 000	6 450 000	7 360 000	-	7 360 000	-	(7 360 000)
<b>Total Expenditure</b>	<b>394 800 236</b>	<b>84 892 995</b>	<b>479 693 231</b>	<b>-</b>	<b>479 693 231</b>	<b>445 369 180</b>	<b>(34 324 051)</b>
<b>Surplus/(Deficit)</b>	<b>(23 098 150)</b>	<b>4 730 522</b>	<b>(18 367 628)</b>	<b>-</b>	<b>(18 367 628)</b>	<b>8 601 874</b>	<b>26 969 502</b>
Transfers and Subsidies - Capital (monetary allocations)	71 079 623	(33 660 521)	37 419 102	-	37 419 102	26 279 599	(11 139 503)
Transfers and Subsidies - Capital (in-kind)	-	5 550 239	5 550 239	-	5 550 239	5 550 229	(10)
<b>Surplus/(Deficit) for the year</b>	<b>47 981 473</b>	<b>(23 379 760)</b>	<b>24 601 713</b>	<b>-</b>	<b>24 601 713</b>	<b>40 431 702</b>	<b>15 829 989</b>

Refer to note 50.1 for the reconciliation performed of actuals to be on a comparable basis to the budget.

Refer to note 50.3 for explanations of material variances.

Material variances are considered to be any variances greater than R 4.0 million.



# CEDERBERG LOCAL MUNICIPALITY

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2024

	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	70 434 776	(2 937 467)	67 497 309	66 481 290	(1 016 018)
Service Charges	158 524 572	17 692 200	176 216 772	177 380 685	1 163 913
Other Revenue	11 042 774	3 071 312	14 114 086	15 221 286	1 107 200
Transfers and Subsidies	160 629 000	(8 581 547)	152 047 453	150 389 901	(1 657 552)
Interest	8 010 479	509 079	8 519 558	8 494 207	(25 350)
<b>Payments</b>					
Suppliers and Employees	(316 673 236)	(73 770 717)	(390 443 953)	(336 780 564)	53 663 389
Finance Charges	(5 504 000)	3 830 000	(1 674 000)	(497 399)	1 176 601
Transfers and Subsidies	(30 000)	(193 278)	(223 278)	(198 026)	25 252
<b>Net Cash from/(used) Operating Activities</b>	<b>86 434 364</b>	<b>(60 380 418)</b>	<b>26 053 947</b>	<b>80 491 381</b>	<b>54 437 435</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
<b>Receipts</b>					
Proceeds on Disposal of PPE	2 500 000	(500 000)	2 000 000	697 217	(1 302 783)
<b>Payments</b>					
Capital Assets	(85 994 625)	32 330 322	(53 664 303)	(46 970 037)	6 694 266
<b>Net Cash from/(used) Investing Activities</b>	<b>(83 494 625)</b>	<b>31 830 322</b>	<b>(51 664 303)</b>	<b>(46 272 819)</b>	<b>5 391 484</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
<b>Receipts</b>					
Increase/(Decrease) in Consumer Deposits	221 372	-	221 372	202 729	(18 643)
<b>Payments</b>					
Repayment of Borrowing	(1 956 479)	14 455	(1 942 024)	(1 940 625)	1 399
<b>Net Cash from/(used) Financing Activities</b>	<b>(1 735 107)</b>	<b>14 455</b>	<b>(1 720 652)</b>	<b>(1 737 896)</b>	<b>(17 244)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>1 204 632</b>	<b>(28 535 641)</b>	<b>(27 331 009)</b>	<b>32 480 666</b>	<b>59 811 674</b>
Cash and Cash Equivalents at the year begin	28 188	28 749 361	28 777 549	28 777 549	-
Cash and Cash Equivalents at the year end	1 232 820	213 720	1 446 541	61 258 215	59 811 675

Refer to note 50.1 for the reconciliation performed of actuals to be on a comparable basis to the budget.

Refer to note 50.4 for explanations of material variances.

Material variances are considered to be any variances greater than R 4.0 million.



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 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 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.

#### 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 65 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 2024

### 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 not to early adopt the following Standards of GRAP which was issued but is not yet effective:

##### 1.08.1.1 GRAP 104 (Revised 2019) - Financial Instruments (effective 1 April 2025)

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.

The impact of the revised Standard may be significant on the financial statements, due to the following key changes to the Standard:

- (a) Changes in the classification of instruments for subsequent measurement – financial assets are measured at either amortised cost or fair value based on the reason why they are held and their economic characteristics. Specific liabilities are measured at fair value, and all others are measured at amortised cost.
- (b) The approach to impairing financial assets changed from an incurred loss to an expected loss model. As indicated in the name, expected losses estimate the expected default of financial assets over a period of time rather than only recognising an impairment loss when an event occurs.
- (c) Loan commitments and financial guarantee contracts are recognised and measured differently. They are no longer in the scope of GRAP 19 on Provisions, Contingent Liabilities and Contingent Assets. When entering into these transactions there is an economic consequence that exposes an entity to risk. Accounting for them as financial instruments best captures this risk exposure.
- (d) With the changes in the classification of instruments and impairment approach, there is new information that GRAP 104 requires entities to disclose.



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.08.1.2 iGRAP 22 - Foreign Currency Transactions and Advance Consideration (effective 1 April 2025)

This Interpretation addresses how to determine the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or revenue (or part of it) on the derecognition of a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration in a foreign currency.

No significant impact is expected as the Municipality is not exposed to any significant foreign currency transactions.

### 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 103 (Revised 2022) - Heritage Assets

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

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.

#### 1.08.2.2 GRAP 105 (Revised 2023) - Transfer of Functions Between Entities Under Common Control

This Standard of GRAP was revised in order to align to IPSAS 40 on Public Sector Combinations and IFRS 3 on Business Combinations.

The impact of this Standard on the financial statements will not be significant, as the Municipality is not currently party to, or foresee that it will be party to any transfers of functions in the near future.

#### 1.08.2.3 GRAP 106 (Revised 2023) - Transfer of Functions Between Entities Not Under Common Control

This Standard of GRAP was revised in order to align to IPSAS 40 on Public Sector Combinations and IFRS 3 on Business Combinations.

The impact of this Standard on the financial statements will not be significant, as the Municipality is not currently party to, or foresee that it will be party to any transfers of functions in the near future.

#### 1.08.2.4 GRAP 107 (Revised 2023) - Mergers

This Standard of GRAP was revised in order to align to IPSAS 40 on Public Sector Combinations and IFRS 3 on Business Combinations.

The impact of this Standard on the financial statements will not be significant, as the Municipality is not currently party to, or foresee that it will be party to any mergers in the near future.

#### 1.08.2.5 Amendments to GRAP 1 on Presentation of Financial Statements (2022)

The amendments to the Standard clarifies how to apply going concern assumption in the public sector and improve disclosure on related judgements and conclusions.

The impact of these amendments to the Standard on the financial statements will not be significant.

#### 1.08.2.6 Improvements to the Standards of GRAP (2023)

The effect of the improvements to the current pronouncements to the Standard of GRAP is considered insignificant. The improvements mainly relates to the clarification of accounting principles.



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.09 INVESTMENT PROPERTY

#### 1.09.1 Initial Recognition

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

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

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

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

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

#### 1.09.2 Subsequent Measurement – Cost Model

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

#### 1.09.3 Depreciation – Cost Model

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

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

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

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



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.09.5 Derecognition

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

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

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

### 1.10 PROPERTY, PLANT AND EQUIPMENT

#### 1.10.1 Initial Recognition

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

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

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

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

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

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

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

#### 1.10.2 Subsequent Measurement - Cost Model

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

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

#### 1.10.3 Depreciation

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

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

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



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

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	5 - 100	Computer Equipment	5 - 17
Roads	7 - 100	Furniture and Office Equipment	5 - 31
Sanitation	10 - 100	Machinery and Equipment	5 - 36
Storm Water	20 - 100	Transport Assets	8 - 26
Water Supply	10 - 100		
Work in progress	N/A		
<b>Finance lease assets</b>			
Office equipment	3 - 11		
Transport Assets	10		

### 1.10.4 Impairment

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

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

### 1.10.5 Derecognition

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

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

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

## 1.11 INTANGIBLE ASSETS

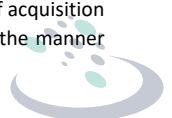
### 1.11.1 Initial Recognition

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

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

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

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



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

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

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

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

### 1.11.2 Subsequent Measurement - Cost Model

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

### 1.11.3 Amortisation

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

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

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

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

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

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

	Years
Computer Software	6-16

### 1.11.4 Impairment

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

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

### 1.11.5 Derecognition

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

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



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.12 IMPAIRMENT OF NON-MONETARY ASSETS

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

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

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

#### 1.12.1 Recoverable amount of Cash-generating assets

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

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

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

#### 1.12.2 Recoverable amount of Non-cash-generating assets

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

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

#### 1.12.3 Impairment loss

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

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

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

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

#### 1.12.4 Reversal of an impairment loss

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

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

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

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

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



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.13 INVENTORIES

#### 1.13.1 Initial Recognition

Inventories are assets:

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

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

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

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

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

#### 1.13.2 Subsequent Measurement

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

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

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

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

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

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

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

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

### 1.14 EMPLOYEE BENEFITS

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

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





# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 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 Defined Contribution Plans

The Municipality contributes to various defined contribution plans on behalf of its qualifying employees. 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.

#### 1.14.1.2 Post Retirement Medical Benefits

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

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

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

### 1.14.2 Long-term Benefits

#### 1.14.2.1 Long Service Awards

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

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

### 1.14.3 Short-term Benefits

#### 1.14.3.1 Staff Leave

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

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

#### 1.14.3.2 Bonuses

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

#### 1.14.3.3 Provision for Performance Bonuses

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

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.15 PROVISIONS

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

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

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

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

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

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

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

### 1.16 LEASES

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

#### 1.16.1 Municipality as Lessee

##### 1.16.1.1 Finance Leases

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

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

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



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.16.1.2 Operating leases

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

### 1.16.2 Municipality as Lessor

#### 1.16.2.1 Finance Leases

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

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

#### 1.16.2.2 Operating Leases

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

## 1.17 FINANCIAL INSTRUMENTS

### 1.17.1 Initial Recognition

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

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

### 1.17.2 Subsequent Measurement

Financial instruments are categorised as follow:

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

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



### 1.17.3 Impairment and uncollectability of financial assets

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

#### 1.17.3.1 Financial assets measured at amortised cost

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

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

#### 1.17.3.2 Financial assets measured at cost

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

### 1.17.4 Derecognition of financial instruments

#### 1.17.4.1 Financial assets

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

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

#### 1.17.4.2 Financial liabilities

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

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

### 1.17.5 Offsetting of financial instruments

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

### 1.18 STATUTORY RECEIVABLES

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

#### 1.18.1 Initial Recognition

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



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.18.2 Subsequent Measurement

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

### 1.18.3 Impairment and uncollectability of statutory receivables

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

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

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

### 1.18.4 Derecognition

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

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

## 1.19 CASH AND CASH EQUIVALENTS

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

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

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

## 1.20 RECEIVABLES

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

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

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



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.21 TAXES (VALUE ADDED TAX)

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

### 1.22 PAYABLES AND ANNUITY LOANS

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

### 1.23 CONSUMER DEPOSITS

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

### 1.24 CONDITIONAL GOVERNMENT GRANTS AND PUBLIC CONTRIBUTIONS

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

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

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

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

### 1.25 REVENUE

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

#### 1.25.1 Revenue from Non-Exchange Transactions

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

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



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.25.1.1 *Taxation Revenue*

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

### 1.25.1.2 *Transfer Revenue*

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

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

### 1.25.1.3 *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.



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.25.1.10 Debt Forgiveness

Debt forgiveness are instances when creditors waive their right to collect a debt owed by the Municipality, effectively cancelling the debt.

The Municipality recognises revenue in respect of debt forgiveness when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners.

Revenue arising from debt forgiveness is measured at the carrying amount of the debt forgiven.

### 1.25.1.11 Off-Market Portion of Municipal Debt Relief

The Municipal Debt Relief are loans received by the Municipality at below market terms. The off-market portion of the loans is calculated as the difference between the proceeds received from the loan, and the present value of the contractual cash flows of the loan, discounted using a market related rate of interest.

## 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.

### 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.





# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 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.

### 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.

### 1.25.3 Construction Contracts

Contractor is an entity that performs construction work pursuant to a construction contract to build structures, construct facilities, produce goods, or render services to the specifications of another entity either itself or through the use of sub-contractors. The term "contractor" thus includes a general or prime contractor, a subcontractor to a general contractor, or a construction manager.

The Municipality participates as a non-accredited municipality in the National Housing Programme. The Municipality's roles and responsibilities in the housing development process are set out in the binding arrangements entered into with the provincial Department of Infrastructure. The Municipality assesses the terms and conditions of each contract concluded with the provincial Department of Infrastructure to establish whether the contract is a construction contract or not.

The Accounting Standards Board (ASB) issued a *Guideline on accounting for arrangements undertaken in terms of the National Housing Programme*. The guideline makes a distinction between a project manager and a project developer.

Where the Municipality is appointed as the project manager, it will assist with the process of appointing a contractor to construct houses on behalf of the provincial Department of Infrastructure. The responsibility of appointment and payment of the contractors ultimately vest with the provincial Department of Infrastructure.

Where the Municipality is appointed as the project developer, it will take on the responsibility for the construction of the houses. As project developer the Municipality will appoint contractors and will make payments for work completed on meeting milestones agreed between itself and the contractor.

In general, where the Municipality is appointed as the project manager, it will act as an agent for the provincial Department of Infrastructure. Where the Municipality is appointed as the project developer, it is considered that the Municipality has entered into a construction contract with the provincial Department of Infrastructure.

The binding agreements entered into with the provincial Department of Infrastructure are non-commercial fixed price contracts. The objective of the arrangements is to construct low cost houses for the beneficiaries of the National Housing Programme in return for full reimbursement of costs from the Department through a housing grant or subsidy.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract shall be recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the reporting date, as measured by the proportion that contract costs incurred for the work performed to date bear to the estimate total contract costs.



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable and contract costs shall be recognised as an expense in the period in which they are incurred.

### 1.26 BORROWING COSTS

Borrowing costs that are incurred by the Municipality are expensed in the Statement of Financial Performance in the period during which they are incurred, regardless of how the borrowings are applied.

### 1.27 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in a form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

### 1.28 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 2000), the Public Office Bearers Act, and (Act. No. 20 of 1998) or is in contravention of the Municipality's Supply Chain Management Policy. Irregular expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

### 1.29 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

### 1.30 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Municipality. A contingent liability could also be a present obligation that arises from past events, but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Municipality.

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the probability of an outflow of resources embodying economic benefits or service potential is remote. A contingent asset is disclosed where the inflow of economic benefits or service potential is probable.

### 1.31 CAPITAL COMMITMENTS

Capital commitments disclosed in the financial statements represents the contractual balance committed to capital projects on reporting date that will be incurred in the period subsequent to the specific reporting date.



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 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 entity that has been directed another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

When the Municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement. The assessment of whether the Municipality is a principal or an agent requires the Municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

The Municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement shall re-assess whether they act as a principal or an agent in accordance with this Standard.

When the Municipality in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If an entity concludes that it is not the agent, then it is the principal in the transactions.

The Municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- (a) It does not have the power to determine the significant terms and conditions of the transaction.
- (b) It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- (c) It is not exposed to variability in the results of the transaction.

Where the Municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that it is an agent. The Municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether an entity is an agent.

Where the Municipality acts as a principal, it recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirement of the relevant Standards of GRAP.

Where the Municipality acts as an agent, it recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The Municipality recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of other Standards of GRAP.

### 1.35 LIVING AND NON-LIVING RESOURCES

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

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

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

### 1.36 SEGMENT REPORTING

A segment is an activity of the Municipality:

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

Management comprises of those persons responsible for planning, directing and controlling the activities of the Municipality, including those charged with the governance of the Municipality in accordance with legislation.



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

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

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

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

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

### 1.37 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In the process of applying the Municipality's accounting policy, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

#### 1.37.1 Application of Directive 7

For deemed cost applied to Property, Plant and Equipment as per adoption of Directive 7, management used the depreciation cost method which was based on assumptions about the remaining duration of the assets.

For deemed cost applied to land and buildings as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

For deemed cost applied to Investment Property as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

GRAP implementation date for the Municipality is 1 July 2009 which is also the date applicable when applying Directive 7. The GRAP compliant period is therefore determined to be from 1 July 2009 to the current year's reported date. Where the economic useful life of an item of Property, Plant and Equipment is less than the GRAP compliant period, it is assumed that the item was either incorrectly written off in the past, or that the capital expenditure of the said item was incorrectly included in surplus. In such cases the item shall not be recognised on GRAP implementation date, but shall be taken into account on that date of the opening balances of the comparative amounts.

#### 1.37.2 Impairment of Receivables

The calculation in respect of the impairment of receivables is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This was performed per service-identifiable categories across all classes of debtors.

#### 1.37.3 Useful lives and residual values

The useful lives of assets are based on management's estimates. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate.

The estimated residual values of assets are also based on management's judgement on whether the assets will be sold or used to the end of their useful lives, and what their condition will be at that time.



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 1.37.4 Impairment of non-monetary assets

Non-monetary assets can include, but is not limited to, Property, Plant and Equipment, Investment Property and Intangible assets.

The Municipality is not a profit-oriented entity, as its primary objective is service delivery. Tariffs and charges are cost-reflective to ensure continued financial sustainability. No profit element is included in the determination of a tariff. As such, management has determined that the Municipality does not control assets that meet the definition of cash-generating assets and that the Standard of GRAP on Impairment of Non-cash-generating Assets will apply to all assets of the Municipality.

The calculation in respect of the impairment of non-monetary assets is based on an assessment of the extent to which the recoverable amount of the asset has declined below the carrying amount. This calculation will only be performed if there is an indication of an impairment.

### 1.37.5 Post-Retirement and Long-term Benefits

The cost of post retirement medical benefits and long-service awards are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

### 1.37.6 Provisions and Contingent Liabilities

Management's judgement is required when recognising and measuring provisions, as well as when measuring contingent liabilities. Provisions are discounted where the time value effect is material.

The provision for rehabilitation of the landfill site is recognised as and when the environmental liability arises. The provision is calculated by a qualified environmental engineer. The provision represents the net present value at the reporting date of the expected future cash flows to rehabilitate the landfill site. The discount rate used to calculate the effect of time value of money is linked to the index for earthwork as published by Statistics South Africa.

### 1.37.7 Financial Instruments and Statutory Receivables

The Municipality analyses the terms and conditions of the transactions that give rise to its receivables in order to understand whether they arise directly from legislation or similar means, or from a separate contract concluded with a party. Judgement is applied in applying the principles as set out in the respective Standards of GRAP on Financial Instruments and Statutory Receivables.

### 1.37.8 Financial assets and liabilities

The classification of financial assets and liabilities, into categories, is based on judgement by management. In making the judgement, management considered the definition and recognition criteria for the classification of financial instruments as set out in the Standard of GRAP on Financial Instruments.

### 1.37.9 Revenue Recognition

Accounting Policy on Revenue from Non-Exchange Transactions and Accounting Policy on Revenue from Exchange Transactions describes the conditions under which revenue will be recognised by management of the Municipality.

In making their judgement, management considered the detailed criteria for the recognition of revenue as prescribed in the Standard of GRAP on Revenue from Exchange Transactions and Standard of GRAP on Revenue from Non-Exchange Transactions. Specifically, when goods are sold, whether the significant risks and rewards of ownership of the goods have been transferred to the buyer and when services are rendered, whether the service has been performed.

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



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

### 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 2024

Figures in Rand

2024

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### 2 CASH AND CASH EQUIVALENTS

Bank Accounts	10 017 842	6 316 618
Call Investment Deposits	51 234 148	22 454 705
Cash Floats	6 226	6 226
<b>Total</b>	<b>61 258 215</b>	<b>28 777 549</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 Infrastructure - note 15	26 530	190 000
Integrated National Electrification Programme (INEP) - note 15	2 997 000	1 334 594
Unspent Conditional Government Grants - note 16	14 101 408	8 414 527
Cash available for working capital requirements	44 133 277	18 838 428
<b>Total</b>	<b>61 258 215</b>	<b>28 777 549</b>

Overdraft facilities available during the financial year with Standard Bank

9 000 000

Guarantee in favour of Eskom registered with Standard Bank

2 900 000

#### 2.1 Bank Accounts

Standard Bank - Account number 082163324 (Main Current Account)	9 645 704	6 263 437
Standard Bank - Account number 072194480 (Traffic Account)	-	-
Standard Bank - Account number 072194774 (Service Account)	-	-
Standard Bank - Account number 032630263 (Current Account for debit orders)	372 099	53 173
Standard Bank - Account number 032630263 (Credit Card for Petty Cash)	39	9
<b>Total</b>	<b>10 017 842</b>	<b>6 316 618</b>

Bank accounts consists out of the following accounts:

##### Standard Bank - Account number 082163324 (Main Current Account)

Cash book balance at beginning of year	6 263 437	2 860 039
Cash book balance at end of year	9 645 704	6 263 437
Bank statement balance at beginning of year	5 742 493	2 423 268
Bank statement balance at end of year	9 448 911	5 742 493

##### Standard Bank - Account number 072194480 (Traffic Account)

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

##### Standard Bank - Account number 072194774 (Service Account)

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

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

Cash book balance at beginning of year	53 173	392 016
Cash book balance at end of year	372 099	53 173
Bank statement balance at beginning of year	53 173	392 016
Bank statement balance at end of year	372 099	53 173

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

Cash book balance at beginning of year	9	70
Cash book balance at end of year	39	9
Bank statement balance at beginning of year	9	70
Bank statement balance at end of year	39	9



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

Figures in Rand		2024	2023
<b>2</b>	<b>CASH AND CASH EQUIVALENTS (CONTINUED)</b>		
<b>2.2</b>	<b>Call Investment Deposits</b>		
Call investment deposits consist out of the following accounts:			
Standard Bank - Acc no 088893065-001		34 626 279	22 454 705
Standard Bank - Acc no 088893065-003		16 607 869	-
<b>Total</b>		<b>51 234 148</b>	<b>22 454 705</b>
<b>3</b>	<b>RECEIVABLES FROM EXCHANGE TRANSACTIONS</b>		
<b>Service Receivables</b>		<b>100 303 993</b>	<b>95 840 305</b>
Electricity		22 786 330	19 566 064
Water		26 952 628	31 902 113
Refuse		11 764 049	11 459 303
Sewerage		16 807 599	16 881 608
Interest		21 326 515	15 145 656
Other		666 872	885 561
<b>Other Receivables</b>		<b>564 681</b>	<b>-</b>
Accrued Interest		564 681	-
<b>Total Gross Balance</b>		<b>100 868 674</b>	<b>95 840 305</b>
Less: Allowance for Debt Impairment		(68 460 242)	(69 626 763)
<b>Total Net Receivable</b>		<b>32 408 431</b>	<b>26 213 542</b>
As previously reported			26 166 677
Correction of error restatement - note 46.1			46 865
Restated balance			26 213 542
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.			
<b>Reconciliation of Allowance for Debt Impairment</b>			
Balance at the beginning of the year		69 626 763	57 052 827
Movement in the contribution to the provision		15 047 024	14 464 271
Electricity		1 117 687	(319 338)
Water		(209 970)	3 902 541
Refuse		2 703 284	1 827 976
Sewerage		4 016 729	2 784 853
Interest		7 510 515	6 138 690
Other		(91 222)	129 550
Bad Debts Written off		(16 213 545)	(1 890 334)
Electricity		(1 410 284)	(599 735)
Water		(4 990 058)	(524 201)
Refuse		(2 692 683)	(107 694)
Sewerage		(4 811 627)	(224 024)
Interest		(2 177 828)	(434 681)
Other		(131 065)	-
Balance at the end of the year		<b>68 460 242</b>	<b>69 626 763</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.



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

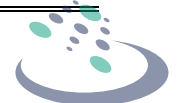
Figures in Rand

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### 3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

	Gross Balance R	Allowance for Debt Impairment R	Net Receivable R
<b>30 June 2024</b>			
<b>Service Receivables</b>			
Electricity	22 786 330	(6 510 451)	16 275 879
Water	26 952 628	(19 297 275)	7 655 353
Refuse	11 764 049	(8 999 328)	2 764 720
Sewerage	16 807 599	(13 355 722)	3 451 877
Interest	21 326 515	(19 819 940)	1 506 575
Other	666 872	(477 526)	189 346
<b>Other Receivables</b>			
Accrued Interest	564 681	-	564 681
<b>Total</b>	<b>100 868 674</b>	<b>(68 460 242)</b>	<b>32 408 431</b>
<b>30 June 2023</b>			
<b>Service Receivables</b>			
Electricity	19 566 064	(6 803 047)	12 763 017
Water	31 902 113	(24 497 302)	7 404 811
Refuse	11 459 303	(8 988 728)	2 470 575
Sewerage	16 881 608	(14 150 619)	2 730 989
Interest	15 145 656	(14 487 253)	658 402
Other	885 561	(699 814)	185 748
<b>Total</b>	<b>95 840 305</b>	<b>(69 626 763)</b>	<b>26 213 542</b>
<b>Ageing of Receivables from Exchange Transactions</b>			
<b>Electricity</b>			
0 - 30 Days (Current)		13 493 718	11 458 377
1 to 3 months		3 160 479	1 909 822
4 months to 1 year		2 043 832	1 727 592
Over 1 year		4 088 301	4 470 273
<b>Total</b>		<b>22 786 330</b>	<b>19 566 064</b>
<b>Water</b>			
0 - 30 Days (Current)		4 047 639	4 548 702
1 to 3 months		3 845 433	3 616 389
4 months to 1 year		5 737 108	5 501 499
Over 1 year		13 322 448	18 235 523
<b>Total</b>		<b>26 952 628</b>	<b>31 902 113</b>
<b>Refuse</b>			
0 - 30 Days (Current)		1 326 813	1 570 338
1 to 3 months		1 935 403	2 049 083
4 months to 1 year		3 250 392	3 331 542
Over 1 year		5 251 440	4 508 340
<b>Total</b>		<b>11 764 049</b>	<b>11 459 303</b>
<b>Sewerage</b>			
0 - 30 Days (Current)		1 634 084	2 683 502
1 to 3 months		2 568 083	1 933 284
4 months to 1 year		4 528 165	3 279 704
Over 1 year		8 077 267	8 985 118
<b>Total</b>		<b>16 807 599</b>	<b>16 881 608</b>



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

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### 3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

#### Interest

0 - 30 Days (Current)	1 151 171	953 153
1 to 3 months	3 294 721	3 881 179
4 months to 1 year	7 518 292	4 402 954
Over 1 year	9 362 331	5 908 369
<b>Total</b>	<b>21 326 515</b>	<b>15 145 656</b>

#### Other

0 - 30 Days (Current)	97 246	85 467
1 to 3 months	70 945	123 580
4 months to 1 year	92 411	152 864
Over 1 year	406 272	523 650
<b>Total</b>	<b>666 872</b>	<b>885 561</b>

#### Summary Ageing of all Receivables from Exchange Transactions

0 - 30 Days (Current)	21 750 671	21 299 539
1 to 3 months	14 875 064	13 513 336
4 months to 1 year	23 170 200	18 396 156
Over 1 year	40 508 059	42 631 274
<b>Total</b>	<b>100 303 993</b>	<b>95 840 305</b>

### 4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

#### Service Receivables

	54 245 527	46 563 252
Property Rates	44 923 400	38 752 907
Availability Charges	9 322 127	7 810 344

#### Other Receivables

	31 697 057	20 043 538
Unpaid Traffic Fines	28 901 714	16 599 148
Other Receivables	539 633	873 113
Deposits	1 557 263	2 571 277
Unpaid Grants	698 446	-

#### Total Gross Balance

	85 942 584	66 606 789
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Less: Allowance for Debt Impairment

	(69 930 648)	(54 567 760)
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#### Total Net Receivable

	16 011 936	12 039 029
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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	54 567 760	40 921 114
Movement in the contribution to the provision	33 913 795	20 362 649
Property Rates	4 649 806	10 093 545
Availability Charges	1 435 230	1 124 631
Traffic Fines	27 486 464	9 104 472
Other Receivables	342 294	40 000
Bad Debts Written off	(18 550 907)	(6 716 003)
Property Rates	(1 041 148)	(3 991 508)
Availability Charges	(49 569)	(138 248)
Traffic Fines	(16 893 298)	(2 586 247)
Other Receivables	(566 892)	-
Balance at the end of the year	69 930 648	54 567 760

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

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### 4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

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.

	Gross Balance R	Allowance for Debt Impairment R	Net Receivable R
<b>30 June 2024</b>			
<b>Service Receivables</b>			
Property Rates	44 923 400	(33 797 946)	11 125 455
Availability Charges	9 322 127	(8 691 177)	630 950
<b>Other Receivables</b>			
Unpaid Traffic Fines	28 901 714	(26 940 014)	1 961 700
Other Receivables	539 633	(501 511)	38 123
Deposits	1 557 263	-	1 557 263
Unpaid Grants	698 446	-	698 446
<b>Total</b>	<b>85 942 584</b>	<b>(69 930 648)</b>	<b>16 011 936</b>
<b>30 June 2023</b>			
<b>Service Receivables</b>			
Property Rates	38 752 907	(30 189 288)	8 563 619
Availability Charges	7 810 344	(7 305 516)	504 828
<b>Other Receivables</b>			
Unpaid Traffic Fines	16 599 148	(16 346 848)	252 300
Other Receivables	873 113	(726 108)	147 005
Deposits	2 571 277	-	2 571 277
<b>Total</b>	<b>66 606 789</b>	<b>(54 567 760)</b>	<b>12 039 029</b>

### Ageing of Receivables from Non-Exchange Transactions

#### Property Rates

0 - 30 Days (Current)	5 185 484	4 947 500
1 to 3 months	4 969 764	5 335 391
4 months to 1 year	10 062 142	9 694 154
Over 1 year	24 706 011	18 775 863
<b>Total</b>	<b>44 923 400</b>	<b>38 752 907</b>

#### Availability Charges

0 - 30 Days (Current)	331 860	297 065
1 to 3 months	655 230	601 024
4 months to 1 year	1 418 796	1 177 120
Over 1 year	6 916 242	5 735 135
<b>Total</b>	<b>9 322 127</b>	<b>7 810 344</b>



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

Figures in Rand		2024	2023
<b>5</b>	<b>TAXES</b>		
	VAT Claimable/(Payable)	2 517 829	727 662
	VAT Input in Suspense	10 427 987	10 237 315
	VAT Output in Suspense - net	(3 179 871)	(2 420 548)
	VAT Output in Suspense	(9 878 661)	(10 010 859)
	Less: VAT on Allowance for Debt Impairment	6 698 790	7 590 312
	<b>Total</b>	<b>9 765 945</b>	<b>8 544 429</b>
	As previously reported		8 431 665
	Correction of error restatement - note 46.1		58 311
	Correction of error restatement - note 46.3		54 453
	Restated balance		8 544 429
	<b>Reconciliation of VAT on Allowance for Debt Impairment</b>		
	Balance at beginning of year	7 590 312	6 950 849
	Debt Impairment for current year	(891 522)	639 463
	Balance at the end of the year	<b>6 698 790</b>	<b>7 590 312</b>
<b>6</b>	<b>OPERATING LEASES</b>		
<b>6.1</b>	<b>OPERATING LEASE ASSETS</b>		
	Operating Lease Asset	-	<b>112</b>
	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	112	222
	Movement during the year	(112)	(110)
	Balance at the end of the year	-	<b>112</b>
	<b>The Municipality will receive the following lease payments from contracts that have defined lease payments and terms.</b>		
	Within 1 Year	-	2 022
	Between 1 and 5 Years	-	-
	After 5 Years	-	-
	Total operating lease payments	-	<b>2 022</b>
	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 of 6% 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</b>	<b>OPERATING LEASE LIABILITIES</b>		
	Operating Lease Liability	-	<b>774</b>
	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	774	4 758
	Movement during the year	(774)	(3 984)
	Balance at the end of the year	-	<b>774</b>

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

Figures in Rand

2024

2023

### 6 OPERATING LEASES (CONTINUED)

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

Within 1 Year	420 000	428 785
Between 1 and 5 Years	-	420 000
After 5 Years	-	-
Total operating lease payments	<b>420 000</b>	<b>848 785</b>

The leases are in respect of land and buildings being leased. Escalations between 4% and 10% are applicable on the leases. The renewal option after lapsing of the contracts are available.

The Municipality does not engage in any sub-lease arrangements.

The Municipality did not pay any contingent rent during the year.

### 7 LONG-TERM RECEIVABLES

Receivables with repayment arrangements	3 554 867	563 189
Less: Allowance for Debt Impairment	(659 044)	(127 781)
<b>Total Net Receivable</b>	<b>2 895 823</b>	<b>435 408</b>
Less: Current portion of Long-term Receivables	<b>1 296 291</b>	<b>363 463</b>
Receivables with repayment arrangements	1 296 291	363 463
<b>Total</b>	<b>1 599 532</b>	<b>71 945</b>

Debtors amounting to R3 554 867 (2023 - R563 189) have arranged to settle their account over an re-negotiated period. Total payments to the value of R1 972 528 (2023 - R118 094) have been deferred beyond 12 months after year end and subsequently included as part of long-term receivables.

#### Reconciliation of Allowance for Debt Impairment

Balance at the beginning of the year	127 781	-
Movement in the contribution to the provision	531 263	127 781
Balance at the end of the year	<b>659 044</b>	<b>127 781</b>

The allowance for debt impairment of arrangements has been made for all balances outstanding based on the payment ratio over the last 12 months. 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.

### 8 INVENTORY

Maintenance Materials - at cost	1 086 556	955 553
Water – at cost	86 387	91 043
<b>Total</b>	<b>1 172 943</b>	<b>1 046 596</b>

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	-	-
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# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

Figures in Rand

2024

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### 9 INVENTORY (CONTINUED)

Inventory recognised as an expense during the year

Maintenance Materials	1 883 671	1 597 361
Water - by nature of expense	10 971 150	11 117 071
Bulk Purchases	622 471	758 118
Contracted Services	326 249	324 613
Depreciation and Amortisation	1 340 863	1 495 573
Employee Related Costs	3 816 719	3 799 581
Internal Charges	4 608 496	4 246 752
Other Expenditure	256 352	492 434
<b>Total</b>	<b>12 854 822</b>	<b>12 714 432</b>

### 10 INVESTMENT PROPERTY

Investment Property - Carrying Value

As previously reported

Correction of error restatement - note 46.2

Restated balance

The carrying value of Investment Property is reconciled as follows:

#### Opening Carrying Value

Cost	75 107 877	75 141 252
Accumulated Depreciation	(783 486)	(731 236)
Accumulated Impairment	-	-
Depreciation for the year	(52 393)	(52 250)
Disposals	(7 095)	(33 375)

#### Closing Carrying Value

Cost	75 100 782	75 107 877
Accumulated Depreciation	(835 879)	(783 486)
Accumulated Impairment	-	-

There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.

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

No significant operating expenditure was incurred on investment property during the 2023/24 and 2022/23 financial year.

#### Cost of land included in asset register of which the Municipality is not the legal owner (iGRAP 18)

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.

2 023 600

2 023 600



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

Figures in Rand

2024

2023

### 11 PROPERTY, PLANT AND EQUIPMENT

	Cost R	Accumulated Depreciation R	Accumulated Impairment R	Carrying Value R
<b>30 June 2024</b>				
Land and Buildings	22 467 609	(1 754 156)	-	20 713 453
Infrastructure	876 402 738	(357 317 430)	(50 825 162)	468 260 146
Leased Assets	943 824	(392 613)	-	551 210
Community Assets	80 051 024	(8 463 950)	-	71 587 073
Other Assets	59 055 342	(21 684 566)	-	37 370 776
Capitalised Restoration Cost	24 699 373	(15 393 921)	(1 647 682)	7 657 770
<b>Total</b>	<b>1 063 619 910</b>	<b>(405 006 636)</b>	<b>(52 472 844)</b>	<b>606 140 429</b>

### 30 June 2023

Land and Buildings	22 485 648	(1 620 614)	-	20 865 035
Infrastructure	857 974 151	(336 265 215)	(36 106 873)	485 602 063
Leased Assets	943 824	(234 878)	-	708 945
Community Assets	79 520 938	(7 564 553)	-	71 956 385
Other Assets	41 139 616	(22 757 975)	-	18 381 641
Capitalised Restoration Cost	22 153 402	(13 635 510)	(726 064)	7 791 829
<b>Total</b>	<b>1 024 217 580</b>	<b>(382 078 746)</b>	<b>(36 832 937)</b>	<b>605 305 897</b>
As previously reported				682 313 875
Correction of error restatement - note 46.2				(24 830 844)
Correction of error restatement - note 46.5				(52 177 134)
Restated balance				605 305 897

#### 11.1 Repairs and maintenance incurred on Property, Plant and Equipment

Repairs and maintenance consists out of the following components:

Contracted Services	- Maintenance Services	6 119 598	5 073 188
Other Expenditure	- Maintenance Materials and Tools	4 273 672	2 711 817
<b>Total</b>		<b>10 393 270</b>	<b>7 785 006</b>

#### 11.2 Cost of land included in asset register of which the Municipality is not the legal owner (iGRAP 18)

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.

<b>658 700</b>	<b>658 700</b>
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#### 11.3 Capital Restorations Costs

The Municipality is required by relevant Environmental Legislation to rehabilitate landfill sites at the closure date of each respective site. The "Capitalised Restoration Cost" asset, which is capitalised in line with the requirements of GRAP 17 and iGRAP 2, relates to the initial estimate of costs involved to restore landfill sites under control of the Municipality.

#### 11.4 Carrying value of Property, Plant and Equipment pledged as security

The leased assets are financed through a finance lease agreement and are secured as set out in note 13.

<b>551 210</b>	<b>708 945</b>
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#### 11.5 Change in estimate useful lives

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

	2024	2025	After 2025
Increase / (Decrease) in Depreciation and Amortisation	(487 370)	389 331	98 038
Increase / (Decrease) in Accumulated Surplus	487 370	(389 331)	(98 038)
Increase / (Decrease) in Property, Plant and Equipment	487 370	(389 331)	(98 038)



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

Figures in Rand		2024	2023
11	PROPERTY, PLANT AND EQUIPMENT (CONTINUED)		
11.6	Work in Progress projects taking a significant longer period to complete		
(a)	<i>Lamberts Bay Desalination Plant</i>	77 787 911	77 787 911
	During January 2024, the Municipality appointed a service provider to perform an assessment of the mechanical and electrical condition of the plant and related infrastructure. Included to the appointment was an assessment of the plant and related land infrastructure's civil and structural components. The final report was received in the month of July 2024 and will be tabled to Council during the month of August 2024, whereby a final decision will be made on the way forward.		
(b)	<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 (DWS). The Implementation Readiness Study (IRS) which is a requirement for RBIG projects was approved by the RBIG committee and is awaiting 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 Municipality applied for waiver application again in August 2023. National Treasury approved a partial waiver on the co-funding in February 2024. The Municipality however needs to update the technical report for the Clanwilliam water treatment works, as the pumpstation which form part of initial application will be done by DWS as part of the dam project.		
(c)	<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.		
(d)	<i>Upgrading of sport fields - Lamberts Bay</i>	95 641	95 641
	Project will be completed once internal funds become available.		
(e)	<i>Upgrade roads and stormwater infrastructure - Citrusdal</i>	-	3 515 305
	This project was completed during the current year.		
(f)	<i>Construction Of Multi-Purpose Centre (Phase 1) Graafwater</i>	1 879 569	-
	Contract terminated due to non compliance of contractual requirements. Design and tender documentation to be completed in the 2024/25 financial year.		
<b>Total</b>		<b>83 903 720</b>	<b>85 539 456</b>
The accumulated impairment recognised on the above-mentioned Work in Progress are as follows:			
(a)	<i>Lamberts Bay Desalination Plant</i>	50 825 162	36 106 873
<b>Total</b>		<b>50 825 162</b>	<b>36 106 873</b>



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

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

#### 11.7 Reconciliation of Carrying Value

30 June 2024	Cost						Accumulated Depreciation and Impairment						Carrying Value
	Opening Balance	Additions	Disposals and Write-offs	Contributed Assets	Transfers	Closing Balance	Opening Balance	Depreciation Charge	Impairment (Reversal)	Transfers	Disposals and Write-offs	Closing Balance	
	R	R	R	R	R	R	R	R	R		R	R	R
<b>Land and Buildings</b>	<b>22 485 648</b>	-	(18 039)	-	-	<b>22 467 609</b>	<b>1 620 614</b>	<b>133 542</b>	-	-	-	<b>1 754 156</b>	<b>20 713 453</b>
Land	9 436 984	-	(18 039)	-	-	9 418 945	-	-	-	-	-	-	9 418 945
Buildings	13 048 664	-	-	-	-	13 048 664	1 620 614	133 542	-	-	-	1 754 156	11 294 508
<b>Infrastructure</b>	<b>857 974 151</b>	<b>18 428 587</b>	-	-	-	<b>876 402 738</b>	<b>372 372 088</b>	<b>21 052 214</b>	<b>14 718 289</b>	-	-	<b>408 142 592</b>	<b>468 260 146</b>
Electrical	169 207 434	-	-	-	-	169 207 434	98 794 909	4 001 850	-	-	-	102 796 759	66 410 675
Roads	172 068 627	-	-	-	10 374 881	182 443 507	86 853 740	5 357 037	-	-	-	92 210 777	90 232 730
Sanitation	215 787 179	624 980	-	-	-	216 412 159	57 060 484	6 444 626	-	-	-	63 505 109	152 907 050
Storm Water	27 747 507	-	-	-	5 090 879	32 838 386	7 802 866	626 451	-	-	-	8 429 316	24 409 070
Water Supply	179 180 201	112 162	-	-	340 681	179 633 044	85 753 216	4 622 251	-	-	-	90 375 467	89 257 576
Work in progress	93 983 203	17 691 446	-	-	(15 806 441)	95 868 208	36 106 873	-	14 718 289	-	-	50 825 162	45 043 046
<b>Leased Assets</b>	<b>943 824</b>	-	-	-	-	<b>943 824</b>	<b>234 878</b>	<b>157 735</b>	-	-	-	<b>392 613</b>	<b>551 210</b>
Furniture and Office Equipment	943 824	-	-	-	-	943 824	234 878	157 735	-	-	-	392 613	551 210
<b>Community Assets</b>	<b>79 520 938</b>	<b>530 085</b>	-	-	-	<b>80 051 024</b>	<b>7 564 553</b>	<b>899 397</b>	-	-	-	<b>8 463 950</b>	<b>71 587 073</b>
Community Facilities	15 886 163	-	-	-	-	15 886 163	1 392 042	134 275	-	-	-	1 526 318	14 359 845
Sport and Recreational Facilities	62 189 651	-	-	-	-	62 189 651	6 172 511	765 122	-	-	-	6 937 632	55 252 019
Work in progress	1 445 124	530 085	-	-	-	1 975 210	-	-	-	-	-	-	1 975 210
<b>Other Assets</b>	<b>41 139 616</b>	<b>22 639 957</b>	<b>(4 724 231)</b>	-	-	<b>59 055 342</b>	<b>22 757 975</b>	<b>2 313 020</b>	-	-	<b>(3 386 429)</b>	<b>21 684 566</b>	<b>37 370 776</b>
Computer Equipment	3 263 264	1 136 266	(495 271)	-	-	3 904 259	2 161 600	208 499	-	-	(455 222)	1 914 877	1 989 382
Furniture and Office Equipment	9 694 206	304 487	(338 672)	-	-	9 660 021	6 040 262	594 147	-	-	(312 902)	6 321 507	3 338 514
Machinery and Equipment	11 304 919	2 454 662	(721 871)	-	-	13 037 710	7 296 477	580 406	-	-	(561 569)	7 315 314	5 722 396
Transport Assets	16 877 227	18 744 543	(3 168 417)	-	-	32 453 353	7 259 637	929 968	-	-	(2 056 737)	6 132 868	26 320 484
<b>Capitalised Restoration Cost</b>	<b>22 153 402</b>	<b>2 615 475</b>	<b>(69 504)</b>	-	-	<b>24 699 373</b>	<b>14 361 574</b>	<b>1 758 411</b>	<b>921 618</b>	-	-	<b>17 041 602</b>	<b>7 657 770</b>
Landfill Site Rehabilitation	22 153 402	2 615 475	(69 504)	-	-	24 699 373	14 361 574	1 758 411	921 618	-	-	17 041 602	7 657 770
	<b>1 024 217 580</b>	<b>44 214 105</b>	<b>(4 811 775)</b>	-	-	<b>1 063 619 910</b>	<b>418 911 683</b>	<b>26 314 319</b>	<b>15 639 907</b>	-	<b>(3 386 429)</b>	<b>457 479 480</b>	<b>606 140 429</b>



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

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

#### 11.7 Reconciliation of Carrying Value

30 June 2023	Cost						Accumulated Depreciation and Impairment						Carrying Value (Restated)
	Opening Balance	Additions	Disposals and Write-offs	Contributed Assets	Transfers	Closing Balance	Opening Balance	Depreciation Charge	Impairment (Reversal)	Transfers	Disposals and Write-offs	Closing Balance	
	R	R	R	R	R	R	R	R	R		R	R	R
<b>Land and Buildings</b>	<b>22 485 648</b>	-	-	-	-	<b>22 485 648</b>	<b>1 487 436</b>	<b>133 177</b>	-	-	-	<b>1 620 614</b>	<b>20 865 035</b>
Land	9 436 984	-	-	-	-	9 436 984	-	-	-	-	-	-	9 436 984
Buildings	13 048 664	-	-	-	-	13 048 664	1 487 436	133 177	-	-	-	1 620 614	11 428 050
<b>Infrastructure</b>	<b>830 137 844</b>	<b>27 836 307</b>	-	-	-	<b>857 974 151</b>	<b>326 722 022</b>	<b>20 467 848</b>	<b>25 182 218</b>	-	-	<b>372 372 088</b>	<b>485 602 063</b>
Electrical	166 216 433	188 681	-	-	2 802 320	169 207 434	94 822 246	3 972 663	-	-	-	98 794 909	70 412 525
Roads	172 068 627	-	-	-	-	172 068 627	81 730 908	5 122 832	-	-	-	86 853 740	85 214 886
Sanitation	198 415 284	220 616	-	-	17 151 279	215 787 179	50 960 334	6 100 150	-	-	-	57 060 484	158 726 696
Storm Water	27 747 507	-	-	-	-	27 747 507	7 253 280	549 585	-	-	-	7 802 866	19 944 641
Water Supply	174 322 414	33 715	-	-	4 824 072	179 180 201	81 030 599	4 722 617	-	-	-	85 753 216	93 426 984
Work in progress	91 367 579	27 393 295	-	-	(24 777 671)	93 983 203	10 924 655	-	25 182 218	-	-	36 106 873	57 876 330
<b>Leased Assets</b>	<b>7 702 495</b>	-	<b>(179 491)</b>	-	<b>(6 579 181)</b>	<b>943 824</b>	<b>1 912 371</b>	<b>187 866</b>	-	<b>(1 796 852)</b>	<b>(68 507)</b>	<b>234 878</b>	<b>708 945</b>
Furniture and Office Equipment	3 527 655	-	-	-	(2 583 831)	943 824	805 920	157 304	-	(728 346)	-	234 878	708 945
Transport Assets	4 174 840	-	(179 491)	-	(3 995 350)	-	1 106 451	30 562	-	(1 068 506)	(68 507)	-	-
<b>Community Assets</b>	<b>78 321 837</b>	<b>1 199 101</b>	-	-	-	<b>79 520 938</b>	<b>6 667 173</b>	<b>897 380</b>	-	-	-	<b>7 564 553</b>	<b>71 956 385</b>
Community Facilities	15 886 163	-	-	-	-	15 886 163	1 258 134	133 909	-	-	-	1 392 042	14 494 121
Sport and Recreational Facilities	62 189 651	-	-	-	-	62 189 651	5 409 039	763 472	-	-	-	6 172 511	56 017 141
Work in progress	246 023	1 199 101	-	-	-	1 445 124	-	-	-	-	-	-	1 445 124
<b>Other Assets</b>	<b>33 572 038</b>	<b>1 217 342</b>	<b>(228 944)</b>	-	<b>6 579 181</b>	<b>41 139 616</b>	<b>19 178 045</b>	<b>1 951 269</b>	-	<b>1 796 852</b>	<b>(168 191)</b>	<b>22 757 975</b>	<b>18 381 641</b>
Computer Equipment	3 115 914	221 329	(73 979)	-	-	3 263 264	2 040 435	171 983	-	-	(50 817)	2 161 600	1 101 664
Furniture and Office Equipment	7 060 775	101 477	(51 877)	-	2 583 831	9 694 206	4 763 768	595 877	-	728 346	(47 729)	6 040 262	3 653 944
Machinery and Equipment	10 548 472	859 535	(103 088)	-	-	11 304 919	6 884 957	481 164	-	-	(69 644)	7 296 477	4 008 442
Transport Assets	12 846 877	35 000	-	-	3 995 350	16 877 227	5 488 885	702 245	-	1 068 506	-	7 259 637	9 617 590
<b>Capitalised Restoration Cost</b>	<b>19 396 951</b>	<b>2 862 895</b>	<b>(106 444)</b>	-	-	<b>22 153 402</b>	<b>13 096 448</b>	<b>1 265 126</b>	-	-	-	<b>14 361 574</b>	<b>7 791 829</b>
Landfill Site Rehabilitation	19 396 951	2 862 895	(106 444)	-	-	22 153 402	13 096 448	1 265 126	-	-	-	14 361 574	7 791 829
	<b>991 616 813</b>	<b>33 115 646</b>	<b>(514 878)</b>	-	-	<b>1 024 217 580</b>	<b>369 063 496</b>	<b>24 902 666</b>	<b>25 182 218</b>	-	<b>(236 698)</b>	<b>418 911 683</b>	<b>605 305 897</b>



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

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### 12 INTANGIBLE ASSETS

Intangible Assets - Carrying Value

706 426

843 706

The carrying value of intangible Assets is reconciled as follows:

#### Opening Carrying Value

843 706

1 043 991

Cost

2 350 769

2 354 497

Accumulated Amortisation

(1 507 063)

(1 310 505)

Accumulated Impairment

-

-

Additions

63 486

-

Amortisation

(200 657)

(200 283)

Disposal

(108)

(2)

Cost

(13 234)

(3 728)

Accumulated Amortisation

13 126

3 726

#### Closing Carrying Value

706 426

843 706

Cost

2 401 020

2 350 769

Accumulated Amortisation

(1 694 594)

(1 507 063)

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:

2024

2025

After 2025

Increase / (Decrease) in Depreciation and Amortisation

(1 556)

778

778

Increase / (Decrease) in Accumulated Surplus

1 556

(778)

(778)

Increase / (Decrease) in Intangible Assets

1 556

(778)

(778)

### 13 LONG-TERM LIABILITIES

Annuity Loans

2 263 326

3 871 874

Finance Lease Liabilities

181 223

513 300

Payables with Repayment Arrangements

-

39 471 931

Municipal Debt Relief

37 443 774

-

#### Sub-Total

39 888 323

43 857 105

Less: Current portion of Long-term Liabilities

13 264 684

27 328 579

Annuity Loans

1 787 486

1 609 946

Finance Lease Liabilities

181 222

332 078

Payables with Repayment Arrangements

-

25 386 555

Municipal Debt Relief

11 295 976

-

#### Total

26 623 639

16 528 526

Long-term Liabilities were utilised as follow:

Total Long-term Liabilities taken up

2 444 549

4 385 174

Used to finance Property, Plant and Equipment at cost

(2 444 549)

(4 385 174)

#### Unspent Borrowings

-

-

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 2024

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### 13 LONG-TERM LIABILITIES (CONTINUED)

#### 13.1 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	448 528	853 792
ABSA (038-723-0993)	10.43%	17 June 2025	764 131	1 451 695
ABSA (038-723-0994)	10.45%	17 Nov 2025	451 984	714 845
ABSA (038-723-0995)	11.33%	30 Jun 2026	598 682	851 543
Total			<b>2 263 326</b>	<b>3 871 874</b>

All annuity loans are unsecured.

Annuity loans are payable as follows:

Payable within one year	1 985 577	1 985 577
Payable within two to five years	510 819	2 496 397
<b>Total amount payable</b>	<b>2 496 397</b>	<b>4 481 974</b>
Less: Outstanding Future Finance Charges	(233 071)	(610 100)
<b>Present value of annuity loans</b>	<b>2 263 326</b>	<b>3 871 874</b>

#### 13.2 Finance Lease Liabilities

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

Description	Rate	Maturity Date	Carrying Value of Liability	
Printers and Copiers	11.8%	31 Dec 2024	181 223	513 300
Total			<b>181 223</b>	<b>513 300</b>

Finance Leases Liabilities are secured by Property, Plant and Equipment - refer to note 11.

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	187 500	375 000
Payable within two to five years	-	187 500
<b>Total amount payable</b>	<b>187 500</b>	<b>562 500</b>
Less: Outstanding Future Finance Charges	(6 277)	(49 200)
<b>Present value of finance lease liabilities</b>	<b>181 223</b>	<b>513 300</b>

#### 13.3 Payables with Repayment Arrangements

Payables with Repayment Arrangements, disclosed at amortised cost, consist out of the following agreements:

Supplier	Rate	Maturity Date	Carrying Value of Liability	
Eskom Holdings SOC Ltd (Clanwilliam Account)	Prime + 2.5%	31 Dec 2024	-	19 722 325
Eskom Holdings SOC Ltd (Citrusdal Account)	Prime + 2.5%	31 Dec 2024	-	19 273 627
Eskom Holdings SOC Ltd (Lamberts Bay Account)	Prime + 2.5%	31 Jul 2023	-	475 979
<b>Total</b>			<b>-</b>	<b>39 471 931</b>

All payables with repayment arrangements are unsecured.

Payables with Repayment Arrangements are payable as follows:

Payable within one year	-	25 386 555
Payable within two to five years	-	14 085 376
<b>Total amount payable</b>	<b>-</b>	<b>39 471 931</b>
Less: Outstanding Future Finance Charges	-	-
<b>Present value of payables with repayment arrangements</b>	<b>-</b>	<b>39 471 931</b>

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

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<b>13</b>	<b>LONG-TERM LIABILITIES (CONTINUED)</b>		
<b>13.4</b>	<b>Municipal Debt Relief</b>		
Municipal Debt Relief, disclosed at amortised cost, consist out of the following agreements:			
<b>Supplier</b>	<b>Discount Rate</b>	<b>Maturity Date</b>	<b>Carrying Value of Liability</b>
Eskom Holdings SOC Ltd	10.16%	31 Aug 2026	37 443 774 -
<b>Total</b>			<b>37 443 774 -</b>
The Municipal Debt Relief liability is unsecured.			
National Treasury approved the Municipality's application for Municipal Debt Relief. In terms of the arrangement, Eskom Holdings SOC Ltd will write-off outstanding debt amounting to R41 772 257 over a period of 3 years, given that the Municipality adheres to certain conditions. As at year-end, the Municipality has complied with all the conditions, and it is therefore anticipated that debt will be written off as follows:			
Within one year		13 924 085	-
Within two to five years		27 848 171	-
<b>Total amount payable</b>		<b>41 772 256</b>	<b>-</b>
Less: Outstanding Future Finance Charges		(4 328 482)	-
<b>Present value of payables with repayment arrangements</b>		<b>37 443 774</b>	<b>-</b>
<b>14</b>	<b>CONSUMER DEPOSITS</b>		
Water and Electricity Deposits		<b>2 997 700</b>	<b>2 794 971</b>
The fair value of consumer deposits approximate their carrying value. Interest are not paid on these amounts.			
<b>15</b>	<b>PAYABLES FROM EXCHANGE TRANSACTIONS</b>		
Trade Payables		41 663 613	52 763 929
Retentions		1 300 427	1 033 225
Payments received in advance		3 087 700	3 055 582
Unused Pre-paid Electricity		845 443	729 183
Sundry Creditors		829 866	698 101
Sundry Deposits		178 863	125 334
Accrued Interest		17 649	35 461
Unknown Receipts		711 443	70 320
Land Sales Deposits		2 199 975	1 510 975
Department of Infrastructure		26 530	190 000
Integrated National Electrification Programme (INEP)		2 997 000	1 334 594
<b>Total</b>		<b>53 858 510</b>	<b>61 546 705</b>
As previously reported			60 630 956
Correction of error restatement - note 46.3			(418 845)
Correction of error restatement - note 46.5			1 334 594
Restated balance			<b>61 546 705</b>
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.			



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

Figures in Rand		2024	2023
<b>15</b>	<b>PAYABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)</b>		
Department of Infrastructure balance consist of the following:			
- Advances received for the construction of housing top structures		-	-
- Advances received in terms of principle-agent arrangements		26 530	190 000
Total		26 530	190 000
The Integrated National Electrification Programme (INEP) relates to advances received for the construction of bulk electrification infrastructure for Eskom.			
The following serves as security for payables:			
- Bank guarantee as per note 2		2 900 000	2 900 000
- Cash deposits as per note 4		1 557 263	2 571 277
Total		4 457 263	5 471 277
<b>16</b>	<b>UNSPENT CONDITIONAL GOVERNMENT GRANTS</b>		
National Government		7 525 057	2 911 226
Provincial Government		6 576 351	5 503 301
Total		14 101 408	8 414 527
As previously reported			10 823 121
Correction of error restatement - note 46.4			(1 074 000)
Correction of error restatement - note 46.5			(1 334 594)
Restated balance			8 414 527
Detail reconciliations of all grants received and grant conditions met are included in note 22.			
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>17</b>	<b>CURRENT EMPLOYEE BENEFITS</b>		
Bonuses		3 432 600	3 307 247
Staff Leave		7 731 806	6 991 780
Performance Bonuses		709 814	202 645
Standby and Overtime		713 958	619 311
Current portion of Non-Current Employee Benefits - note 19		2 024 000	2 113 000
Post Retirement Medical Benefits		1 686 000	1 455 000
Long Service Awards		338 000	658 000
Total		14 612 178	13 233 983
The movement in current employee benefits are reconciled as follows:			
<b>17.1</b>	<b>Bonuses</b>		
Opening Balance		3 307 247	3 461 973
Contribution during the year		6 364 674	6 240 554
Payments made		(6 239 322)	(6 395 280)
Balance at the end of the year		3 432 600	3 307 247
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.			



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

Figures in Rand		2024	2023
<b>17</b>	<b>CURRENT EMPLOYEE BENEFITS (CONTINUED)</b>		
<b>17.2</b>	<b>Staff Leave</b>		
	Opening Balance	6 991 780	7 650 260
	Contribution during the year	1 704 136	571 246
	Payments made	(964 110)	(1 229 725)
	Balance at the end of the year	<u><u>7 731 806</u></u>	<u><u>6 991 780</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>17.3</b>	<b>Performance Bonuses</b>		
	Opening Balance	202 645	528 261
	Contribution during the year	507 169	(131 558)
	Payments made	-	(194 058)
	Balance at the end of the year	<u><u>709 814</u></u>	<u><u>202 645</u></u>
	Performance bonuses are being paid to the Municipal Manager and Directors after an evaluation of performance by the council.		
<b>17.4</b>	<b>Standby and Overtime</b>		
	Opening Balance	619 311	460 657
	Contribution during the year	713 958	619 311
	Payments made	(619 311)	(460 657)
	Balance at the end of the year	<u><u>713 958</u></u>	<u><u>619 311</u></u>
	Standby and overtime worked by staff in current financial year, but paid in following financial year.		
<b>18</b>	<b>CURRENT PROVISIONS</b>		
	Awaiting SARS Ruling - Output VAT Payable on Library Grants	4 056 578	3 225 709
	<b>Total</b>	<u><u>4 056 578</u></u>	<u><u>3 225 709</u></u>
	As previously reported		-
	Correction of error restatement - note 46.6		3 225 709
	Restated balance		<u><u>3 225 709</u></u>
	The movement in the provision is reconciled as follows:		
	Opening balance	3 225 709	2 520 317
	Increase based on Output VAT portion of grant funding received	830 870	705 391
	Total balance at year-end	<u><u>4 056 578</u></u>	<u><u>3 225 709</u></u>
	Refer to note 46.6 for a brief description of the nature of the obligation.		
	It is estimated that the formal SARS ruling will be issued within the next 12 months, and accordingly the provision is considered to be a current liability.		
	The main uncertainty is what periods SARS will include when making its ruling and assessment. The Municipality took a conservative approach and calculated the provision based on a period of 6 years, i.e. from 2018/19 to 2023/24.		
	Another uncertainty is whether any penalties or interest will be levied by SARS. As the Municipality disclosed the potential obligation to SARS via the voluntary disclosure programme (VDP), it is assumed that no penalties and interest will be levied by SARS, and accordingly no penalties or interest were included in the provision.		
	Should the outcome of the formal ruling be unfavourable towards the Municipality, the Municipality will approach the Department of Cultural Affairs and Sport (DCAS) for possible reimbursement.		





# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

Figures in Rand		2024	2023
<b>19</b>	<b>EMPLOYEE BENEFITS</b>		
	Post Retirement Medical Benefits	31 791 000	30 069 000
	Long Service Awards	5 742 000	5 683 000
	<b>Sub-Total</b>	<b>37 533 000</b>	<b>35 752 001</b>
	Less: Current portion of Employee Benefits	<b>2 024 000</b>	<b>2 113 000</b>
	Post Retirement Medical Benefits	1 686 000	1 455 000
	Long Service Awards	338 000	658 000
	<b>Total</b>	<b>35 509 000</b>	<b>33 639 001</b>

### 19.1 Post Retirement Medical Benefits

The Post Retirement Medical Benefit Plan is a defined benefit plan. The movement in the defined benefit obligation is reconciled as follows:

Opening Balance	30 069 000	32 232 000
Contribution during the year	4 991 000	5 890 000
Current Service Cost	1 300 000	2 154 000
Interest Expense	3 691 000	3 736 000
Payments made	(1 598 039)	(1 332 780)
Actuarial Loss/(Gain)	(1 670 961)	(6 720 220)
Change in Financial Assumptions	(836 000)	(3 926 000)
Change in Demographic Assumptions	-	-
Experience Adjustments	(834 961)	(2 794 220)
Total balance at year-end	31 791 000	30 069 000
Less: Current portion	(1 686 000)	(1 455 000)
<b>Total</b>	<b>30 105 000</b>	<b>28 614 000</b>

Based on the number of individuals entitled to a post-employment medical aid subsidy at year-end, the defined benefit obligation was estimated to be as follows:

Category	Number of individuals			
	2024	2023		
In-service members	125	125	10 475 000	9 999 000
In-service non-members	173	184	2 287 000	2 286 000
Continuation members	31	29	19 029 000	17 784 000
<b>Total</b>	<b>329</b>	<b>338</b>	<b>31 791 000</b>	<b>30 069 000</b>

The defined benefit obligation is unfunded, and therefore no disclosures are made relating to plan assets and the effect of the asset ceiling.

### Actuarial Method

The Projected Unit Credit Method has been used to value the liabilities. The last valuation was performed on 16 July 2024.

### Characteristics of defined benefit plans and risks associated with them

The Municipality provides post employment medical benefits as follows:

- Eligible employees will receive a post-employment subsidy of 70% of the contribution payable should they be a member of a medical scheme at retirement.
- Continuation members and their eligible dependants receive a 70% subsidy.
- The post-employment subsidies are not limited to a maximum Rand value/subsidy.
- Upon a member's death-in-service, surviving dependants are entitled to commence receipt of the same post-employment subsidy. Upon a member's death-in-retirement, surviving dependants are entitled to continue to receive the same subsidy.



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

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### 19 EMPLOYEE BENEFITS (CONTINUED)

Notable benefit plan risks faced by the Municipality can be summarised as follows:

- **Inflation:** The risk that future CPI inflation and medical aid contribution inflation are higher than assumed and present in an uncontrolled manner.
- **Longevity:** The risk that eligible individuals live longer than assumed i.e. their benefits are payable for longer than expected.
- **Volatility of open-ended, long-term defined benefit obligation:** The risk that the defined benefit obligation may be volatile which is exacerbated by its long-term nature.
- **Enforcement of eligibility criteria and rules:** The risk that eligibility criteria and rules are not strictly or consistently enforced, to the detriment of the Municipality.
- **Future changes in legislation:** The risk that changes to legislation with respect to the post-employment medical aid benefit may increase the defined benefit obligation for the Municipality.

#### Significant Actuarial Assumptions

##### i) Financial Assumptions

- Medical Aid Contribution Inflation Rate	7.69%	8.25%
- Discount Rate	12.20%	12.57%
- Net Discount Rate	4.19%	3.99%

##### ii) Demographic Assumptions

- Post-Employment Mortality	PA(90)	PA(90)
The PA(90) ultimate table, adjusted down by 1 year of age, and a 1% annual compound mortality improvement from 2010.		
- Average Retirement Age	62 years	62 years
- Membership continuation	75%	75%

#### Sensitivity Analysis - Defined Benefit Obligation at year-end

The defined benefit obligation is based on a number of assumptions as indicated above. The extent to which the actual defined benefit obligation faced in the future by the Municipality differs from these results will depend on the extent to which actual experience differs from the assumptions made. The assumption which tends to have the greatest impact on the results is the medical aid contribution inflation rate relative to the discount rate. The impact of the aforementioned and the other significant assumptions are disclosed below:

Assumption	Eligible Employees (R)	Continuation members (R)	Total Obligation (R)	% Change
Current defined benefit obligation	12 762 000	19 029 000	31 791 000	
Medical Aid Contribution Inflation Rate ( + 1% )	15 363 000	20 858 000	36 221 000	14%
Medical Aid Contribution Inflation Rate ( - 1% )	10 687 000	17 440 000	28 127 000	-12%
Discount Rate ( + 1% )	10 778 000	17 513 000	28 291 000	-11%
Discount Rate ( - 1% )	15 271 000	20 797 000	36 068 000	13%
Post-Employment Mortality ( + 1 year )	12 453 000	18 480 000	30 933 000	-3%
Post-Employment Mortality ( - 1 year )	13 064 000	19 575 000	32 639 000	3%
Average Retirement Age ( - 1 year )	14 151 000	19 029 000	33 180 000	4%
Membership Continuation ( - 10% )	11 162 000	19 029 000	30 191 000	-5%

There were no changes from the previous reporting period in the methods and assumptions used in preparing the sensitivity analyses.

#### Expected contributions and maturity analysis

As there is no plan asset, the net defined benefit liability is equal to the defined benefit obligation. There are no specific funding arrangements and funding policy that affect future contributions, other than the funding and reserve policy of the Municipality which aims to ensure that the cash position of the Municipality remains sufficient to cover all working capital requirements (which includes contributions to the relevant medical schemes).



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

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### 19 EMPLOYEE BENEFITS (CONTINUED)

Maturity analysis of the future undiscounted expected benefits to be paid in respect of the current eligible employees and continuation members can be illustrated as follows:

Future Year	Expected Benefit Payments R	% Contribution of Bracket
Future year 1 - 10	28 000 000	3%
Future year 11 - 20	76 997 000	7%
Future year 21 - 30	158 712 000	15%
Future year 31 - 40	233 066 000	23%
Future year 41 - 50	243 588 000	24%
Future year 51 - 60	182 041 000	18%
Future year 61 - 70	87 823 000	9%
Future year 71 - 80	22 468 000	2%
Future year 80 + (considered insignificant to include in analysis)	-	0%
<b>Total future expected benefits to be paid</b>	<b>1 032 695 000</b>	<b>100%</b>

### 19.2 Long Service Awards

The Long Service Awards plans are defined benefit plans. The movement in the defined benefit obligation is reconciled as follows:

Opening Balance	5 683 000	5 976 000
Contribution during the year	1 123 000	1 155 000
Current Service Cost	493 000	532 000
Interest Expense	630 000	623 000
Payments made	(689 132)	(822 116)
Actuarial Loss/(Gain)	(374 869)	(625 884)
Change in Financial Assumptions	(58 000)	(347 000)
Change in Demographic Assumptions	-	-
Experience Adjustments	(316 869)	(278 884)
<b>Total balance at year-end</b>	<b>5 742 000</b>	<b>5 683 000</b>
Less: Current portion	(338 000)	(658 000)
<b>Total</b>	<b>5 404 000</b>	<b>5 025 000</b>
As at year end, the following number of employees were eligible for Long Service Awards	298	309

The defined benefit obligation is unfunded, and therefore no disclosures are made relating to plan assets and the effect of the asset ceiling.

#### Actuarial Method

The Projected Unit Credit Method has been used to value the liabilities. The last valuation was performed on 16 July 2024.

#### Characteristics of defined benefit plans and risks associated with them

The Municipality provides a Long Service Award benefits as follows:

- The Municipality offers employees Long Service Awards for every 5 years of service completed, from 10 years of service to 45 years of service, inclusive.
- In the month that each "completed service" milestone is reached, the employee is granted a Long Service Award.
- The Long Service Award is calculated as a percentage of basic salary which is then multiplied by the number of years in service, divided by 250. The percentage calculated on the basic salary is determined by the milestone reached which ranges from 4% (10 years) to 26.3% (45 years).
- The Municipality does not pay any pro-rata Long Service Awards.



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

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### 19 EMPLOYEE BENEFITS (CONTINUED)

Notable benefit plan risks faced by the Municipality can be summarised as follows:

- **Inflation:** The risk that future CPI inflation and medical aid contribution inflation are higher than assumed and present in an uncontrolled manner.
- **Termination of service:** The risk that fewer eligible employees terminate their service at the Municipality i.e. more Long Service Awards vest than expected.
- **Volatility of open-ended, long-term Defined-Benefit Obligation:** The risk that the defined benefit obligation may be volatile which is exacerbated by its long-term nature.
- **Enforcement of eligibility criteria and rules:** The risk that eligibility criteria and rules are not strictly or consistently enforced, to the detriment of the Municipality.
- **Future changes in legislation:** The risk that changes to legislation with respect to the post-employment medical aid benefit may increase the Defined-Benefit Obligation for the Municipality.

#### Significant Actuarial Assumptions

##### i) Financial Assumptions

- General Earnings Inflation Rate	6.53%	7.01%
- Discount Rate	11.43%	11.74%
- Net Discount Rate	4.60%	4.42%

##### ii) Demographic Assumptions

- Average Retirement Age	62 years	62 years
- Termination of Services		

If an eligible employee leaves due to resignation or retrenchment, the Municipality's defined benefit obligation in respect of that employee ceases. The termination rates per annum is assumed as follows:

Age: 20 - 24	9.00%	9.00%
Age: 25 - 29	8.00%	8.00%
Age: 30 - 34	6.00%	6.00%
Age: 35 - 44	5.00%	5.00%
Age: 45 - 49	4.00%	4.00%
Age: 50 - 54	3.00%	3.00%
Age: 55 +	0.00%	0.00%

#### Sensitivity Analysis - Defined Benefit Obligation at year-end

The defined benefit obligation is based on a number of assumptions as indicated above. The extent to which the actual defined benefit obligation faced in the future by the Municipality differs from these results will depend on the extent to which actual experience differs from the assumptions made. The impact of the significant assumptions are disclosed below:

Assumption	Impact on Defined Benefit Obligation (R)	% Change
Current Defined Benefit Obligation	5 742 000	
General Earnings Inflation Rate ( + 1%)	6 122 000	7%
General Earnings Inflation Rate ( - 1%)	5 397 000	-6%
Discount Rate ( + 1% )	5 393 000	-6%
Discount Rate ( - 1% )	6 133 000	7%
Average Retirement Age ( + 2 years )	6 466 000	13%
Average Retirement Age ( - 2 years )	5 100 000	-11%
Rates of Termination of Services ( x 2 )	4 612 000	-20%
Rates of Termination of Services ( x 0.5 )	6 504 000	13%

There were no changes from the previous reporting period in the methods and assumptions used in preparing the sensitivity analyses.



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

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### 19 EMPLOYEE BENEFITS (CONTINUED)

#### Expected contributions and maturity analysis

As there is no plan asset, the net defined benefit liability is equal to the defined benefit obligation. There are no specific funding arrangements and funding policy that affect future contributions, other than the funding and reserve policy of the Municipality which aims to ensure that the cash position of the Municipality remains sufficient to cover all working capital requirements (which includes Long Service Awards when it becomes due).

Maturity analysis of the future undiscounted expected benefits to be paid in respect of the current eligible employees can be illustrated as follows:

Future Year	Expected Benefit Payments R	% Contribution of Bracket
Future year 1 - 10	10 863 000	29%
Future year 11 - 20	14 739 000	39%
Future year 21 - 30	10 641 000	28%
Future year 31 - 40	1 340 000	4%
Future year 40 + (considered insignificant to include in analysis)	-	0%
<b>Total future expected benefits to be paid</b>	<b>37 583 000</b>	<b>100%</b>

### 19.3 Defined Contribution Plans

Council contributes to the following defined contribution plans:

Consolidated Retirement Fund	10 847 082	11 008 553
LA Retirement Fund	59 068	107 820
National Funds for Municipal Workers	1 019 806	803 880
Municipal Workers Retirement Fund	1 171 707	1 253 566
<b>Total</b>	<b>13 097 663</b>	<b>13 173 819</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.

The Municipality previously assessed the Consolidated Retirement Fund and LA Retirement Fund to be multi-employer defined benefit plans. This assessment was however incorrect as the Municipality's obligation is only limited to the contributions made to the said funds. This is in contrast to the former funds (Cape Joint Retirement Fund and Cape Joint Pension Fund) which were deemed to be defined benefit plans. Accordingly, any contributions previously disclosed as defined benefit plans are now included as part of the defined contributions plans, which resulted in the comparative amount being restated from R2 057 446 to R13 173 819.

### 20 NON-CURRENT PROVISIONS

Provision for Rehabilitation of Landfill-sites

**61 032 949**

**52 681 181**

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

Opening Balance	52 681 181	45 813 780
Contribution during the year	8 351 768	6 867 401
Increase/(decrease) in estimate added to /(deducted from) cost of related asset	2 545 970	2 756 451
Decrease in estimate recognised in surplus	(291 370)	(722 376)
Interest Cost	6 097 168	4 833 326
<b>Total</b>	<b>61 032 949</b>	<b>52 681 181</b>

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 8.94% and 11.70% depending on the estimated decommission date.



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### 20 NON-CURRENT PROVISIONS (CONTINUED)

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

Location	Discount Rate	Site Dimensions m <sup>2</sup>	Rehabilitation cost per m <sup>2</sup> (Rand)	Cost of Rehabilitation	Cost of Rehabilitation
Clanwilliam	8.94%	23 616	958	19 859 669	16 258 029
Lambert's Bay	11.70%	17 580	1 118	14 694 993	13 194 367
Citrusdal	11.70%	26 505	1 040	15 118 309	13 486 495
Graafwater	8.94%	3 000	1 688	4 756 816	3 427 344
Elands Bay	8.94%	5 060	1 389	6 603 163	6 314 947
<b>Total</b>				<b>61 032 949</b>	<b>52 681 181</b>

The estimate cost, based on an average inflation rate of 5.59% (2023 - 5.59%), and date of decommission of the sites are as follows:

Location	Estimated Decommission Date	Future Cost of Rehabilitation	Future Cost of Rehabilitation
Clanwilliam	2028	28 384 196	29 074 980
Lambert's Bay	2029	26 037 800	26 404 030
Citrusdal	2035	50 411 123	51 303 508
Graafwater	2026	5 645 560	6 728 809
Elands Bay	2026	7 836 871	6 992 081
<b>Total</b>		<b>118 315 549</b>	<b>120 503 408</b>

### 21 PROPERTY RATES

Rateable Land and Buildings	82 214 731	78 506 157
Less: Rebates	(8 521 799)	(8 124 017)
<b>Total</b>	<b>73 692 932</b>	<b>70 382 140</b>

Property rate levied are based on the following rateable valuations:

Residential	3 319 781 000	3 338 255 000
Business and Industrial	952 608 000	964 879 000
State-owned	243 255 000	242 000 000
Agricultural, Public Service Infrastructure and Public Benefit Organisations	4 388 821 000	4 368 854 000
Impermissible	574 080 000	552 874 000
<b>Total Valuation</b>	<b>9 478 545 000</b>	<b>9 466 862 000</b>

Rate that is applicable to the valuations above:

Residential	1.410c/R	1.339c/R
Business and Industrial	1.824c/R	1.732c/R
State-owned	1.824c/R	1.732c/R
Agricultural, Public Service Infrastructure and Public Benefit Organisations	0.353c/R	0.334c/R
Impermissible	0.000c/R	0.000c/R

Valuations on land and buildings are performed every five years. The last valuation came into effect on 1 July 2022. 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	85 000
- Properties with a value of more than R100 000	85 000	85 000

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 1% 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

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### GOVERNMENT GRANTS AND SUBSIDIES

#### Unconditional Grants - National Government

67 058 000

61 451 000

Equitable Share

67 058 000

61 451 000

#### Conditional Grants - National Government

24 893 388

18 157 893

Municipal Infrastructure Grant (MIG)

16 323 446

13 055 540

Financial Management Grant (FMG)

2 132 000

2 082 589

Expanded Public Works Program (EPWP)

1 658 000

1 359 000

Water Service Infrastructure Grant (WSIG)

4 463 698

820 450

Regional Bulk Infrastructure Grant (RBIG)

-

840 313

Municipal Disaster Response Grant

316 245

-

#### Conditional Grants - Provincial Government

15 862 818

19 745 529

Library Services MRF

4 912 914

4 702 609

CDW Support

9 929

115 205

Municipal Capacity Building Grant

-

250 000

Thusong Service Centre Grant

1 068

148 932

Public Employment Support Grant

-

89 939

Municipal Library Support Grant

-

13 782

Financial Management Capability Grant

499 476

1 053 257

Municipal Interventions Grant

991 967

158 033

Municipal Water Resilience Grant

4 068 302

-

Loadshedding Relief Grant

1 516 425

-

Informal Settlements Upgrading Partnership Grant (ISUPG)

3 062 833

13 213 773

Municipal Energy Resilience Grant

499 905

-

Municipal Service Delivery and Capacity Building Grant

300 000

-

Municipal Financial Recovery Services

-

-

#### Total

107 814 206

99 354 422

As previously reported

119 651 219

Correction of error restatement - note 46.4

1 074 000

Correction of error restatement - note 46.5

(2 869 565)

Correction of error restatement - note 46.5

(17 795 840)

Correction of error restatement - note 46.6

(705 391)

Restated balance

99 354 422

Disclosed as:

Government Grants and Subsidies - Operating

81 534 606

74 011 713

Government Grants and Subsidies - Capital

26 279 599

25 342 709

#### Total

107 814 206

99 354 422

Grants per Vote (MFMA Sec 123 (c)):

Equitable share

67 058 000

61 451 000

Vote 1 - Executive and Council

-

-

Vote 2 - Office of Municipal Manager

300 000

-

Vote 3 - Financial Administrative Services

2 631 476

3 036 147

Vote 4 - Community Development Services

7 136 208

7 603 289

Vote 5 - Corporate and Strategic Services

409 929

464 904

Vote 6 - Planning and Development Services

1 036 767

1 023 482

Vote 7 - Public Safety

-

-

Vote 8 - Electricity

2 016 330

-

Vote 9 - Waste Management

8 745 756

89 939

Vote 10 - Waste Water Management

8 348 932

-

Vote 11 - Water

4 068 302

1 660 763

Vote 12 - Housing

3 062 833

13 350 336

Vote 13 - Road Transport

2 999 674

10 674 560

Vote 14 - Sports and Recreation

-

-

#### Total

107 814 206

99 354 422

# CEDERBERG LOCAL MUNICIPALITY

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### 22 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

The movements per grant can be summarised as follows:

#### 22.01 Equitable Share

Opening Unspent Balance	-	-
Grants Received / (Repaid)	67 058 000	61 451 000
Transferred to Revenue - Operating	(67 058 000)	(61 451 000)
Transferred to Revenue - Capital	-	-
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.

#### 22.02 Municipal Infrastructure Grant (MIG)

Opening Unspent Balance	1 665 284	3 685 824
Grants Received / (Repaid)	13 959 715	11 035 000
Transferred to Revenue - Operating	(2 910 926)	(2 367 147)
Transferred to Revenue - Capital	(13 412 519)	(10 688 393)
Transferred to / (from) Receivables	698 447	-
Closing Unspent Balance	-	1 665 284

The MIG grant is a conditional grant used to upgrade infrastructure in the municipal area with the main focus on previously disadvantaged areas.

#### 22.03 Financial Management Grant (FMG)

Opening Unspent Balance	49 411	-
Grants Received / (Repaid)	2 082 589	2 132 000
Transferred to Revenue - Operating	(2 132 000)	(2 082 589)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	-	49 411

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

#### 22.04 Expanded Public Works Program (EPWP)

Opening Unspent Balance	-	-
Grants Received / (Repaid)	1 658 000	1 359 000
Transferred to Revenue - Operating	(1 658 000)	(1 359 000)
Transferred to Revenue - Capital	-	-
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.

#### 22.05 Water Service Infrastructure Grant (WSIG)

Opening Unspent Balance	686 894	1 507 344
Grants Received / (Repaid)	3 813 106	-
Transferred to Revenue - Operating	(550 654)	(116 003)
Transferred to Revenue - Capital	(3 913 043)	(704 447)
Closing Unspent Balance	36 302	686 894

This grant is utilised for an array of water infrastructure which includes but is not limited to reservoirs, boreholes and oxidation ponds.





# CEDERBERG LOCAL MUNICIPALITY

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<b>22</b>	<b>GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)</b>		
<b>22.06</b>	<b>Regional Bulk Infrastructure Grant (RBIG)</b>		
	Opening Unspent Balance	509 637	509 637
	Grants Received / (Repaid)	(509 637)	840 313
	Transferred to Revenue - Operating	-	(109 606)
	Transferred to Revenue - Capital	-	(730 707)
	Closing Unspent Balance	-	509 637
	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>22.07</b>	<b>Municipal Disaster Response Grant</b>		
	Opening Unspent Balance	-	-
	Grants Received / (Repaid)	7 805 000	-
	Transferred to Revenue - Operating	(41 249)	-
	Transferred to Revenue - Capital	(274 995)	-
	Closing Unspent Balance	7 488 755	-
	This grant is utilised to respond to damages to infrastructure caused by flooding.		
<b>22.08</b>	<b>Library Services MRF</b>		
	Opening Unspent Balance	-	-
	Grants Received / (Repaid)	5 539 131	4 702 609
	Transferred to Revenue - Operating	(4 902 893)	(4 702 609)
	Transferred to Revenue - Capital	(10 021)	-
	Closing Unspent Balance	626 216	-
	The Library Services (Municipal Replacement Fund) Grant is used to pay the salaries of library staff.		
<b>22.09</b>	<b>CDW Support</b>		
	Opening Unspent Balance	115 912	79 117
	Grants Received / (Repaid)	150 999	152 000
	Transferred to Revenue - Operating	(9 929)	(115 205)
	Transferred to Revenue - Capital	-	-
	Closing Unspent Balance	256 982	115 912
	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>22.10</b>	<b>Municipal Capacity Building Grant</b>		
	Opening Unspent Balance	-	299 178
	Grants Received / (Repaid)	-	(49 177)
	Transferred to Revenue - Operating	-	(250 000)
	Transferred to Revenue - Capital	-	-
	Closing Unspent Balance	-	-
	This grant is utilised as a capacity initiative for graduates to enter the workforce in local government.		



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### 22 GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)

#### 22.11 Thusong Service Centre Grant

Opening Unspent Balance	1 068	11 856
Grants Received / (Repaid)	118 932	138 144
Transferred to Revenue - Operating	(1 068)	(148 932)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	118 932	1 068

This grant is used to provide financial assistance to municipalities, ensuring the financial sustainability of the Thusong Service Centres.

#### 22.12 Public Employment Support Grant

Opening Unspent Balance	-	89 939
Grants Received / (Repaid)	-	-
Transferred to Revenue - Operating	-	(89 939)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	-	-

This grant is used to coordinate and ensure the implementation of targeted, short term public employment programmes for communities identified as being in distress.

#### 22.13 Municipal Library Support Grant

Opening Unspent Balance	189 284	203 066
Grants Received / (Repaid)	(189 284)	-
Transferred to Revenue - Operating	-	(8 394)
Transferred to Revenue - Capital	-	(5 388)
Closing Unspent Balance	-	189 284

This grant funding is utilized for personnel, operational and/or capital costs of libraries in the municipal area.

#### 22.14 Financial Management Capability Grant

Opening Unspent Balance	5 070	-
Grants Received / (Repaid)	1 053 257	1 058 327
Transferred to Revenue - Operating	(499 476)	(1 053 257)
Transferred to Revenue - Capital	-	-
Closing Unspent Balance	558 851	5 070

This grant is utilized for revenue enhancement and bursary programmes for external students.

#### 22.15 Municipal Interventions Grant

Opening Unspent Balance	591 967	-
Grants Received / (Repaid)	400 000	750 000
Transferred to Revenue - Operating	(252 837)	(158 033)
Transferred to Revenue - Capital	(739 130)	-
Closing Unspent Balance	-	591 967

This grant is utilized to improve infrastructure, systems, structures, corporate governance, service delivery and compliance with executive obligations.

#### 22.16 Municipal Water Resilience Grant

Opening Unspent Balance	3 000 000	-
Grants Received / (Repaid)	5 000 000	3 000 000
Transferred to Revenue - Operating	(519 875)	-
Transferred to Revenue - Capital	(3 548 427)	-
Closing Unspent Balance	3 931 698	3 000 000

This grant is used to enhance water resilience through water supply augmentation, infrastructure capacity upgrades, water source management and water demand management.



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<b>22</b>	<b>GOVERNMENT GRANTS AND SUBSIDIES (CONTINUED)</b>		
<b>22.17</b>	<b>Loadshedding Relief Grant</b>		
	Opening Unspent Balance	1 600 000	-
	Grants Received / (Repaid)	-	1 600 000
	Transferred to Revenue - Operating	(197 795)	-
	Transferred to Revenue - Capital	(1 318 630)	-
	Closing Unspent Balance	83 576	1 600 000
	This grant is used for the installation of back-up energy supply for water and wastewater infrastructure.		
<b>22.18</b>	<b>Informal Settlements Upgrading Partnership Grant (ISUPG)</b>		
	Opening Unspent Balance	-	-
	Grants Received / (Repaid)	3 062 833	13 213 773
	Transferred to Revenue - Operating	-	-
	Transferred to Revenue - Capital	(3 062 833)	(13 213 773)
	Closing Unspent Balance	-	-
	This grant is used for the installation of water and sanitation infrastructure at the Khayelitsha informal settlement in Clanwilliam.		
<b>22.19</b>	<b>Municipal Energy Resilience Grant</b>		
	Opening Unspent Balance	-	-
	Grants Received / (Repaid)	500 000	-
	Transferred to Revenue - Operating	(499 905)	-
	Transferred to Revenue - Capital	-	-
	Closing Unspent Balance	95	-
	This grant is used for the updating of the master plan and GIS database for the electricity networks in the municipal area.		
<b>22.20</b>	<b>Municipal Service Delivery and Capacity Building Grant</b>		
	Opening Unspent Balance	-	-
	Grants Received / (Repaid)	300 000	-
	Transferred to Revenue - Operating	(300 000)	-
	Transferred to Revenue - Capital	-	-
	Closing Unspent Balance	-	-
	This grant is used to provide financial assistance to the Municipality to improve infrastructure, systems, structures, corporate governance and service delivery.		
<b>22.21</b>	<b>Municipal Financial Recovery Services</b>		
	Opening Unspent Balance	-	-
	Grants Received / (Repaid)	1 000 000	-
	Transferred to Revenue - Operating	-	-
	Transferred to Revenue - Capital	-	-
	Closing Unspent Balance	1 000 000	-
	This grant is used for the purchase of smart prepaid meters in order to address illegal electricity connections.		
<b>22.22</b>	<b>Total Grants</b>		
	Opening Unspent Balance	8 414 527	6 385 961
	Grants Received / (Repaid)	112 802 640	101 382 988
	Transferred to Revenue - Operating	(81 534 606)	(74 011 713)
	Transferred to Revenue - Capital	(26 279 599)	(25 342 709)
	Transferred to / (from) Receivables	698 447	-
	Closing Unspent Balance	14 101 408	8 414 527

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<b>23</b>	<b>AVAILABILITY CHARGES</b>		
	Electricity	2 180 330	1 976 530
	Water	854 912	813 017
	Sewerage and Sanitation	594 244	466 885
	<b>Total</b>	<b>3 629 486</b>	<b>3 256 432</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.		
<b>24</b>	<b>INSURANCE REFUND</b>		
	Insurance Refund	112 012	20 948
	<b>Total</b>	<b>112 012</b>	<b>20 948</b>
<b>25</b>	<b>FINES, PENALTIES AND FORFEITS</b>		
	Traffic	32 523 994	10 006 065
	Overdue Book Fines	2 311	2 435
	Illegal Connections	156 819	123 020
	Retentions	-	425 465
	Unclaimed Money	250 975	12 876
	<b>Total</b>	<b>32 934 099</b>	<b>10 569 862</b>
	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>26</b>	<b>FAIR VALUE ADJUSTMENT GAINS</b>		
	Actuarial Gains	2 045 830	7 346 104
	Post Retirement Medical Benefits	1 670 961	6 720 220
	Long Service Awards	374 869	625 884
	Landfill Sites - iGRAP 2 Adjustments	291 370	722 376
	Off-Market Portion of Municipal Debt Relief	7 242 423	-
	<b>Total</b>	<b>9 579 622</b>	<b>8 068 480</b>
	As previously reported		-
	Reclassification - note 47		8 068 480
	Restated balance		8 068 480
	The actuarial gains mainly originated as a result of an increase in the net discount rate being used by the actuaries to calculate the employee benefits.		
	Landfill Sites - iGRAP2 adjustments relate to a decrease in the landfill site's rehabilitation provision of which the decrease is in excess of the carrying value of the related asset.		
	The off-market portion of Municipal Debt Relief relates to the interest benefit received by the Municipality on the loan as disclosed in note 13.4. The Municipal Debt Relief is interest free for a period of three years. The interest benefit is calculated by using a market related discount rate of 10.16%.		



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<b>27</b>	<b>DEBT FORGIVENESS</b>		
	West Coast District Municipality	2 244 240	-
	Eskom Holdings SOC Ltd	3 305 989	-
	<b>Total</b>	<b>5 550 229</b>	<b>-</b>
	<p>The Council of West Coast District Municipality (WCDM) resolved to write off 50% of debt owed by the Municipality. The afore-mentioned debt emanated from a contract whereby WCDM supplied fire services in the jurisdictional area of the Municipality.</p> <p>Eskom permanently suppressed interest on the Municipal Debt Relief from 1 April 2023 up to the effective date, being 31 August 2023. Interest charged by Eskom during the afore-mentioned period was subsequently written off.</p>		
<b>28</b>	<b>SERVICE CHARGES</b>		
	Electricity	128 725 805	110 704 290
	Water	34 644 920	32 208 520
	Sewerage and Sanitation	19 359 696	17 597 384
	Refuse	16 038 831	14 963 203
	<b>Total Revenue</b>	<b>198 769 253</b>	<b>175 473 398</b>
	Less: Rebates	(8 130 541)	(8 689 571)
	Electricity	(1 324 425)	(2 076 061)
	Water	(1 864 220)	(2 388 558)
	Sewerage and Sanitation	(3 009 083)	(3 646 974)
	Refuse	(1 932 814)	(577 977)
	<b>Total</b>	<b>190 638 712</b>	<b>166 783 827</b>
	As previously reported		166 865 433
	Correction of error restatement - note 46.1		(81 606)
	Restated balance		166 783 827
	<p>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.</p> <p>The comparative figures for electricity sales and electricity rebates have been both by increased by an amount R2 014 640 in order to quantify the free basic electricity units which are being issued free of charge. In addition, the equitable share was also reallocated between the respective services to compensate for the rebates granted of the prior year. The said adjustments affected no financial statement line item.</p>		
<b>29</b>	<b>RENTAL OF FACILITIES AND EQUIPMENT</b>		
	Halls and Sportfields	237 276	180 153
	Commonage	615 978	465 479
	Hawker Stands	116 543	101 474
	<b>Total</b>	<b>969 797</b>	<b>747 106</b>
	As previously reported		3 639 691
	Reclassification - note 47		(2 892 584)
	Restated balance		747 106
<b>30</b>	<b>INTEREST EARNED - EXTERNAL INVESTMENTS</b>		
	Bank Accounts	468 880	366 792
	Call Investment Deposits	4 623 611	1 525 985
	Other Deposits	98 185	127 226
	<b>Total</b>	<b>5 190 675</b>	<b>2 020 003</b>

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<b>31</b>	<b>INTEREST EARNED - OUTSTANDING DEBTORS</b>		
	Outstanding Debtors	12 325 085	9 776 434
	<b>Total</b>	<b>12 325 085</b>	<b>9 776 434</b>
	Interest is levied at the prime rate plus 1% on late payments.		
<b>32</b>	<b>AGENCY SERVICES</b>		
	Drivers Licence Applications	222 954	155 941
	Drivers Licences Issued	418 045	347 636
	Duplicate Registration Certificates	49 798	43 256
	Keeping of Registration Number	10 872	9 643
	Learner Licence Applications	106 716	86 839
	Learner Licences Issued	31 090	28 216
	Professional Drivers Permit Applications	110 624	79 880
	Professional Drivers Permits Issued	68 644	56 050
	Roadworthy Certificate Applications	244 571	226 306
	Roadworthy Certificates Issued	66 153	57 733
	Temporary and special permits	30 335	34 391
	Vehicle Registration	2 939 898	2 656 392
	<b>Total</b>	<b>4 299 701</b>	<b>3 782 284</b>
	The Municipality acts as an agent for the Western Cape Mobility Department and manages the issuing of vehicle licences for a commission. Refer to note 58.1 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>33</b>	<b>OTHER INCOME</b>		
	Sale of Goods and Rendering of Services	4 559 879	4 443 358
	Application Fees for Land Usage	108 014	188 463
	Building Plan Approval	978 633	889 585
	Camping and Entrance Fees	2 958 991	2 892 584
	Cemetery and Burial	139 786	124 715
	Clearance and Valuation Certificates	146 101	149 151
	Photocopies and Faxes	11 660	10 039
	Sub-division and Consolidation Fees	47 372	33 426
	Tender Documents	133 731	122 344
	Sundry Income	35 591	33 050
	Licences and Permits	11 059	2 472
	Operational Revenue	733 997	958 109
	Commission	92 434	265 400
	Development Charges	382 255	393 700
	Skills Development Levy Refund	219 192	216 211
	Sundry Income	40 116	82 799
	<b>Total</b>	<b>5 304 935</b>	<b>5 403 939</b>
	As previously reported		3 233 731
	Reclassification - note 47		2 170 208
	Restated balance		<b>5 403 939</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 2024

Figures in Rand		2024	2023
<b>34</b>	<b>CONSTRUCTION CONTRACTS</b>		
	Department of Infrastructure	1 756 391	14 076 138
	Integrated National Electrification Programme (INEP)	32 003 000	20 665 406
	<b>Total</b>	<b>33 759 391</b>	<b>34 741 544</b>
	As previously reported		14 076 138
	Correction of error restatement - note 46.5		20 665 406
	Restated balance		34 741 544
	<p>The Municipality assessed that it acts as the developer for the Department of Infrastructure to undertake the construction of top structures. The revenue recognised is based on the amount of expenditure incurred by the Municipality for the construction of the top structures, which is in terms of the stage of completion determined by the progress payments claimed by the respective sub-contractors.</p> <p>In terms of the Integrated National Electrification Programme (INEP), the Municipality assessed that it acts as a contractor to undertake the construction of bulk electrification infrastructure for Eskom. The revenue recognised is based on the amount of expenditure incurred by the Municipality for the construction of the bulk electricity infrastructure, which is in terms of the stage of completion determined by the progress payments claimed by the respective sub-contractors.</p>		
<b>35</b>	<b>EMPLOYEE RELATED COSTS</b>		
	Basic Salaries and Wages	83 623 250	80 709 107
	Pension and UIF Contributions	13 702 609	13 491 302
	Medical Aid Contributions	4 296 871	4 453 687
	Overtime	4 840 889	4 024 171
	Motor Vehicle Allowances	7 268 518	6 525 528
	Cell Phone Allowances	505 290	513 444
	Housing Allowances	339 657	358 896
	Other benefits and allowances	5 873 380	5 045 344
	Bargaining Council	43 506	42 346
	Group Life Insurance	1 781 550	1 734 806
	Scarcity Allowances	453 543	388 788
	Standby Allowances	3 594 782	2 879 403
	Contributions to Employee Benefits	10 368 980	9 366 242
	Bonuses	6 364 674	6 240 554
	Staff Leave	1 704 136	571 246
	Performance Bonus	507 169	(131 558)
	Long Service Awards	493 000	532 000
	Post Retirement Medical Benefits	1 300 000	2 154 000
	Workmens Compensation Fund	757 484	606 591
	<b>Total</b>	<b>131 576 928</b>	<b>125 094 311</b>
	As previously reported		125 463 823
	Reclassification - note 47		(369 512)
	Restated balance		125 094 311
<b>35.01</b>	<b>Remuneration of Management Personnel</b>		
	<b>Municipal Manager - GF Matthyse (appointed June 2023)</b>		
	Annual Remuneration	1 206 698	91 552
	Car Allowance	55 000	5 000
	Cellphone Allowance	49 500	4 500
	Rural Allowance	85 137	6 759
	Contributions to UIF, Medical, Pension Funds and Bargaining Council	2 085	188
	<b>Total</b>	<b>1 398 420</b>	<b>107 998</b>

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<i>Figures in Rand</i>		2024	2023
35	<b>EMPLOYEE RELATED COSTS (CONTINUED)</b>		
	<b>Municipal Manager - DJ Adonis (March 2022 - August 2022)</b>		
	Annual Remuneration	-	155 999
	Car Allowance	-	26 000
	Cellphone Allowance	-	9 000
	Rural Allowance	-	15 374
	Contributions to UIF, Medical, Pension Funds and Bargaining Council	-	38 002
	Leave Payout	-	47 315
	Settlement Agreement	-	369 512
	<b>Total</b>	<b>-</b>	<b>661 201</b>
	<b>Director: Support Services - HCA Witbooi (Appointed 1 August 2023)</b>		
	Annual Remuneration	812 590	-
	Car Allowance	55 000	-
	Cellphone Allowance	49 500	-
	Rural Allowance	69 881	-
	Contributions to UIF, Medical, Pension Funds and Bargaining Council	185 215	-
	<b>Total</b>	<b>1 172 186</b>	<b>-</b>
	<b>Director: Support Services - HG Slimmert (April 2021 - February 2023)</b>		
	Annual Remuneration	-	537 531
	Performance Bonus / 13th Cheque	-	122 783
	Car Allowance	-	37 321
	Cellphone Allowance	-	37 321
	Rural Allowance	-	50 487
	Contributions to UIF, Medical, Pension Funds and Bargaining Council	-	149 490
	Leave Payout	-	159 421
	<b>Total</b>	<b>-</b>	<b>1 094 354</b>
	<b>Director: Finance - MAN Smit (July 2023 - May 2024)</b>		
	Annual Remuneration	984 952	-
	Car Allowance	66 000	-
	Cellphone Allowance	49 500	-
	Rural Allowance	69 660	-
	Contributions to UIF, Medical, Pension Funds and Bargaining Council	2 251	-
	Leave Payout	68 145	-
	<b>Total</b>	<b>1 240 508</b>	<b>-</b>
	<b>Director: Finance - M Memani (May 2021 - March 2022)</b>		
	Performance Bonus / 13th Cheque	-	71 275
	<b>Total</b>	<b>-</b>	<b>71 275</b>
	<b>Director: Technical Services - R De Ridder (Appointed 15 November 2023)</b>		
	Annual Remuneration	606 232	-
	Car Allowance	94 318	-
	Cellphone Allowance	33 955	-
	Rural Allowance	46 216	-
	Contributions to UIF, Medical, Pension Funds and Bargaining Council	1 497	-
	<b>Total</b>	<b>782 217</b>	<b>-</b>





# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

Figures in Rand		2024	2023
35	EMPLOYEE RELATED COSTS (CONTINUED)		
	Director: Technical Services - AB Allison (September 2021 - July 2022)		
	Annual Remuneration	-	78 694
	Car Allowance	-	8 000
	Cellphone Allowance	-	10 000
	Rural Allowance	-	6 069
	Contributions to UIF, Medical, Pension Funds and Bargaining Council	-	365
	Leave Payout	-	55 723
	<b>Total</b>	-	<b>158 850</b>
35.02	Employees acting in management positions		
	The following employees acted in management positions for a significant time during the course of the year. The amounts as indicated below are remuneration received for the period in which they acted in the respective positions.		
	Acting Municipal Manager - MAN Smit for 59 days		
	Acting Allowance	40 999	-
	<b>Total</b>	<b>40 999</b>	<b>-</b>
	Acting Municipal Manager - Mr CP Sheldon for 72 days		
	Annual Remuneration	-	178 072
	Cellphone Allowance	-	2 601
	Car Allowance	-	39 551
	Acting Allowance	-	15 735
	Contributions to UIF, Medical, Pension Funds and Bargaining Council	-	46 351
	<b>Total</b>	-	<b>282 310</b>
	Acting Municipal Manager - BW Kannemeyer for 93 days		
	Annual Remuneration	-	258 053
	Car Allowance	-	60 000
	Cellphone Allowance	-	13 500
	Rural Allowance	-	22 174
	Leave Payout	-	9 322
	Contributions to UIF, Medical, Pension Funds and Bargaining Council	-	657
	<b>Total</b>	-	<b>363 706</b>
	Acting Municipal Manager - Mr A Titus for 78 days		
	Annual Remuneration	-	158 573
	Housing Allowance	-	2 529
	Car Allowance	-	33 681
	Cellphone Allowance	-	10 300
	Contributions to UIF, Medical, Pension Funds and Bargaining Council	-	44 724
	Acting Allowance	-	4 370
	<b>Total</b>	-	<b>254 178</b>
	Acting Municipal Manager - GF Matthyse for 43 days		
	Annual Remuneration	-	136 042
	Car Allowance	-	14 000
	Cellphone Allowance	-	4 900
	Rural Allowance	-	10 503
	Contributions to UIF, Medical, Pension Funds and Bargaining Council	-	376
	<b>Total</b>	-	<b>165 821</b>



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

Figures in Rand		2024	2023
35	EMPLOYEE RELATED COSTS (CONTINUED)		
	<b>Acting Director: Support Services - Mr A Titus for 18 days (2023 - 287 days)</b>		
	Annual Remuneration	65 628	529 260
	Acting Allowance	2 608	26 768
	Annual Bonus	-	62 266
	Cellphone Allowance	4 400	16 600
	Housing Allowance	1 066	8 647
	Car Allowance	13 473	114 992
	Contributions to UIF, Medical, Pension Funds and Bargaining Council	18 795	166 884
	<b>Total</b>	<b>105 971</b>	<b>925 418</b>
	<b>Acting Director: Finance - MAN Smit for 30 days</b>		
	Annual Remuneration	84 468	-
	Cellphone Allowance	4 500	-
	Car Allowance	6 000	-
	Rural Allowance	6 333	-
	Contributions to UIF, Medical, Pension Funds and Bargaining Council	189	-
	<b>Total</b>	<b>101 489</b>	<b>-</b>
	<b>Acting Director: Finance - CA Appel for 299 days</b>		
	Annual Remuneration	-	901 121
	Cellphone Allowance	-	43 714
	Contributions to UIF, Medical, Pension Funds and Bargaining Council	-	2 156
	Leave Payout	-	29 596
	<b>Total</b>	<b>-</b>	<b>976 588</b>
	<b>Acting Director: Finance - Mev EH Visser for 30 days</b>		
	Annual Remuneration	-	62 266
	Car Allowance	-	13 915
	Contributions to UIF, Medical, Pension Funds and Bargaining Council	-	14 890
	<b>Total</b>	<b>-</b>	<b>91 070</b>
	<b>Acting Director: Technical Services - MB Machaba for 58 days</b>		
	Annual Remuneration	-	165 507
	Cellphone Allowance	-	8 591
	Rural Allowance	-	11 585
	Contributions to UIF, Medical, Pension Funds and Bargaining Council	-	511
	Leave Payout	-	15 658
	<b>Total</b>	<b>-</b>	<b>201 851</b>
36	REMUNERATION OF COUNCILLORS		
	Executive Mayor	985 737	882 792
	Deputy Executive Mayor	764 953	728 313
	Speaker	794 984	761 470
	Mayoral Committee Members	1 513 588	1 365 212
	All Other Councillors	2 022 042	1 959 713
	<b>Total</b>	<b>6 081 304</b>	<b>5 697 499</b>



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

Figures in Rand

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### 36 REMUNERATION OF COUNCILLORS (CONTINUED)

	Basic Salary	Cell Phone Allowances	Total
<b>2024</b>			
Executive Mayor	940 137	45 600	985 737
Deputy Executive Mayor	746 017	18 936	764 953
Speaker	749 384	45 600	794 984
Mayoral Committee Members	1 422 388	91 200	1 513 588
All Other Councillors	1 837 797	184 245	2 022 042
<b>Total</b>	<b>5 695 723</b>	<b>385 581</b>	<b>6 081 304</b>
<b>2023</b>			
Executive Mayor	843 526	39 266	882 792
Deputy Executive Mayor	689 048	39 265	728 313
Speaker	720 670	40 800	761 470
Mayoral Committee Members	1 287 231	77 981	1 365 212
All Other Councillors	1 736 384	223 329	1 959 713
<b>Total</b>	<b>5 276 859</b>	<b>420 640</b>	<b>5 697 499</b>

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

Executive Mayor	- RR Richards (1 March 2023 to date) WJ Farmer (15 August 2022 - 28 February 2023) F Kamfer (27 July 2022 - 14 August 2022) WJ Farmer (13 July 2022 - 26 July 2022) RR Richards (16 November 2021 to 12 July 2022)
Deputy Mayor	- AG Mouton ( 1 March 2023 to date) F Kamfer (1 August 2022 - 28 February 2023) WC Van Neel (14 July 2022 - 31 July 2022) JH Van Heerden (16 November 2021 - 12 July 2022)
Speaker	- J Hayes (1 March 2023 to date) M Heins (13 Jul 2022 - 28 February 2023) WJ Farmer (16 November 2021 to 12 July 2022)

#### 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.

### 37 DEBT IMPAIRMENT

Receivables from Exchange Transactions	15 047 024	14 464 271
Receivables from Non-Exchange Transactions	33 913 795	20 362 649
Long-term Receivables	531 263	127 781
<b>Total Debt Impairment</b>	<b>49 492 081</b>	<b>34 954 701</b>
Movement in VAT included in debt impairment	891 522	(639 463)
<b>Total</b>	<b>50 383 603</b>	<b>34 315 238</b>
As previously reported		34 448 789
Correction of error restatement - note 46.1		(133 551)
Restated balance		34 315 238



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

Figures in Rand		2024	2023
<b>38</b>	<b>DEPRECIATION AND AMORTISATION</b>		
	Investment Property	52 393	52 250
	Property, Plant and Equipment	26 314 319	24 902 666
	Intangible Assets	200 657	200 283
	<b>Total</b>	<b>26 567 369</b>	<b>25 155 199</b>
	As previously reported		25 436 917
	Correction of error restatement - note 46.2		(281 718)
	Restated balance		25 155 199
<b>39</b>	<b>IMPAIRMENT</b>		
	Water Infrastructure	14 718 289	25 182 218
	Capitalised Restoration Cost	921 618	-
	<b>Total</b>	<b>15 639 907</b>	<b>25 182 218</b>
	As previously reported		-
	Correction of error restatement - note 46.2		25 182 218
	Restated balance		25 182 218
	The current year's impairment on water infrastructure relates to the Lamberts Bay desalination plant which is not yet in operation. The plant is subject to major refurbishment in order to become operational. The impairment is calculated as difference between the recoverable service amount and carrying value of the asset. The recoverable service amount was determined as the value in use, using the restoration cost approach.		
	The prior year's impairment related to the marine outflow which was impaired in full as disclosed in note 46.2.		
	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>40</b>	<b>FINANCE CHARGES</b>		
	<b>Cash</b>	1 629 188	3 849 283
	Long-term Liabilities	400 742	701 328
	Bank Overdraft	64 263	46 795
	Overdue Accounts	1 164 184	3 101 160
	<b>Non-cash</b>	13 332 108	9 192 326
	Post Retirement Medical Benefits	3 691 000	3 736 000
	Long Service Awards	630 000	623 000
	Rehabilitation of Landfill Sites	6 097 168	4 833 326
	Municipal Debt Relief	2 913 941	-
	<b>Total</b>	<b>14 961 296</b>	<b>13 041 609</b>
	Finance charges on overdue accounts mainly relate to interest which was charged by Eskom on overdue accounts. Eskom interest amounting to R3 305 989 was written-off in the 2023/24 financial year upon the approval of the Municipal Debt Relief application.		
	Finance charges on the Municipal Debt Relief relate to the unwinding of the interest free loan at a rate of 10.16%		



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<i>Figures in Rand</i>		2024	2023
<b>41</b>	<b>BULK PURCHASES</b>		
	Electricity	105 502 654	92 503 879
	Water	622 471	944 402
	<b>Total</b>	<b>106 125 126</b>	<b>93 448 281</b>
	As previously reported		93 261 997
	Correction of error restatement - note 46.5		186 284
	Restated balance		93 448 281
	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.		
<b>42</b>	<b>CONTRACTED SERVICES</b>		
	Accounting and Auditing	2 577 762	1 663 698
	Construction of Housing Top Structures	1 756 391	14 026 138
	Construction of Bulk Electricity Infrastructure	27 828 696	17 795 840
	Engineering Services	1 227 256	30 417
	Fire Services - West Coast District Municipality	829 627	438 895
	Human Resources	29 632	410 013
	Laboratory Services	273 962	324 613
	Legal Cost	3 114 053	3 157 970
	Maintenance Services	6 119 598	5 073 188
	Research and Advisory	2 808 638	1 629 836
	Safeguard and Security	7 687 078	7 389 235
	Traffic Fines Management	1 445 558	-
	Valuers and Assessors	206 346	396 631
	Other Contracted Services	921 938	982 913
	<b>Total</b>	<b>56 826 535</b>	<b>53 319 387</b>
	As previously reported		35 523 546
	Correction of error restatement - note 46.5		17 795 840
	Restated balance		53 319 387
<b>43</b>	<b>TRANSFERS AND GRANTS</b>		
	Bursaries	-	349 699
	Severance Package	187 764	369 512
	Sport Councils	2 500	8 500
	Social Relief	7 761	-
	<b>Total</b>	<b>198 026</b>	<b>727 711</b>
	As previously reported		358 199
	Reclassification - note 47		369 512
	Restated balance		727 711



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

<i>Figures in Rand</i>		2024	2023
<b>44</b>	<b>OTHER EXPENDITURE</b>		
	Advertising, Publicity and Marketing	217 561	160 428
	Bank Charges	901 888	883 247
	Chemicals	211 347	429 420
	Cleaning Materials	209 792	206 013
	Commission - Prepaid Electricity	1 174 136	854 326
	Computer Services	3 121 003	1 830 653
	Drivers Licences and Permits	263 214	241 176
	External Audit Fees	5 725 894	4 809 649
	Fuel and Oil	5 464 113	6 338 206
	Hire Charges	1 243 558	2 264 014
	Insurance	2 056 348	1 590 395
	Maintenance Materials and Tools	4 273 672	2 711 817
	Motor Vehicle Licence and Registrations	235 379	232 038
	Electricity - Internal usage	5 589 766	4 287 124
	Printing and Stationery	921 283	914 530
	Professional Bodies, Membership and Subscription	1 353 799	1 472 219
	Remuneration of Ward Committees	38 500	11 500
	Skills Development Fund Levy	1 121 519	1 053 599
	Telephone	292 017	755 222
	Training	412 533	988 437
	Travel and Subsistence	389 247	318 838
	Uniform and Protective Clothing	631 481	477 205
	Other Expenditure	495 209	470 434
	<b>Total</b>	<b>36 343 258</b>	<b>33 300 492</b>
<b>45</b>	<b>LOSS ON DISPOSAL OF NON-MONETARY ASSETS</b>		
	Proceeds	697 217	69 989
	Less: Carrying value of Investment Property disposed	(7 095)	(33 375)
	Less: Carrying value of Property, Plant and Equipment disposed	(1 355 842)	(171 737)
	Less: Carrying value of Intangible Assets disposed	(108)	(2)
	<b>Total</b>	<b>(665 827)</b>	<b>(135 125)</b>
	As previously reported		(135 355)
	Correction of error restatement - note 46.2		231
	Restated balance		(135 125)
<b>46</b>	<b>PRIOR PERIOD ADJUSTMENTS - CORRECTION OF ERROR</b>		
<b>46.1</b>	<b>Receivables from Exchange Transactions</b>		
	Corrections made to Receivables include the following:		
	<ul style="list-style-type: none"> <li>- Prepaid electricity sales amounting to R225 717 (including VAT of R25 865 and auxillary deductions of R27 414) for the 2022/23 financial year was only received in the beginning of 2023/24. No debtor was raised as on 30 June 2023 for the afore-mentioned transactions.</li> <li>- Notable billing errors on debtors accounts amounting to R897 861 (VAT inclusive) were corrected as prior year errors. An allowance for debt impairment was also raised on the afore-mentioned debtors which amounted to R746 423, resulting that the total misstatement on the Receivables from Exchange Transaction is calculated at R151 438.</li> </ul>		
	The net effect of the above-mentioned were as follows:		
	- Receivables from Exchange Transactions - note 3	Understated	46 865
	- Taxes - note 5	Understated	58 311
	- Service Charges - note 28	Overstated	(81 606)
	- Interest Earned - Outstanding Debtors - note 31	Overstated	(60 406)
	- Debt Impairment - note 37	Overstated	(133 551)
	- Accumulated Surplus - note 46.7	Understated	113 636

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

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

#### 46.2 Property, Plant and Equipment

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

- During the construction of the marine outflow, the Municipality was informed of major geotechnical difficulties encountered by the contractor, i.e. the collapse of the drilling sleeve to the extent that the project cannot continue. Subsequently, the project was suspended in August 2022, which resulted in an impairment indicator as per GRAP 21. However, the Municipality failed to recognise impairment amounting to R25 182 218, as the marine outflow should have been impaired in full.
- Land amounting to R50 900 of which the Municipality exercise control, were not recorded in the asset register. Of the R50 900, R11 000 relate to Investment Property and R39 900 to Property, Plant and Equipment.
- Movable assets with a carrying value of R231 were incorrectly disposed in the prior year.
- Movable assets previously not included in the asset register were identified during the current year's asset verification with a carrying value of R1 256.
- Completed projects amounting to R3 420 416 were incorrectly included as work in progress which resulted that depreciation amounting to R100 879 was not recognised on the said completed projects.
- A calculation error resulted that depreciation was incorrectly calculated, resulting in Property, Plant and Equipment being understated by R410 892.

The net effect of the above-mentioned were as follows:

- Investment Property - note 10	Understated	11 000
- Property, Plant and Equipment - note 11	Overstated	(24 830 844)
- Depreciation and Amortisation - note 38	Overstated	(281 718)
- Impairment - note 39	Understated	25 182 218
- Loss on disposal of Non-Monetary Assets - note 45	Overstated	(231)
- Accumulated Surplus - note 46.7	Understated	80 425

#### 46.3 Payables from Exchange Transactions

Corrections made to Payables from Exchange Transactions include the following:

- Construction Revenue amounting to R836 322 pertaining to a Lamberts Bay housing project was not recognised as revenue.
- Trade Payables amounting to R417 477 (VAT Inclusive) was not raised as on 30 June 2023.

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

- Taxes - note 5	Understated	54 453
- Payables from Exchange Transactions - note 15	Overstated	(418 845)
- Bulk Purchases - note 41	Understated	186 284
- Accumulated Surplus - note 46.7	Understated	659 582

#### 46.4 Unspent Conditional Government Grants

A 2021/22 roll-over application regarding the Municipal Infrastructure Grant (MIG) amounting to R1 074 000 was not approved by National Treasury, and accordingly deducted from the 2022/23 Equitable Share allocation. The said deduction was incorrectly recorded as a reduction in Government Grants and Subsidies, rather than being off-set against Unspent Conditional Government Grants.

The net effect of the above-mentioned errors as follows:

- Unspent Conditional Government Grants - note 16	Overstated	(1 074 000)
- Government Grants and Subsidies - Operating - note 22	Understated	1 074 000



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

Figures in Rand

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

#### 46.5 Accounting treatment of the Integrated National Electrification Programme (INEP)

In the prior year, funding received in terms of the Integrated National Electrification Programme (INEP) was accounted as Government Grants and Subsidies and the related expenditure incurred was capitalised.

Based on a guide on GRAP issued by National Treasury, Management assessed that the Municipality acts as a contractor to undertake the construction of the bulk electrification infrastructure for Eskom. Accordingly, GRAP 11 (Construction Contracts) should be applied to account for the construction of said infrastructure, whereby both the revenue and expenditure should be recognised in the Statement of Financial Performance.

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

- Property, Plant and Equipment - note 11	Overstated	(52 177 134)
- Payables from Exchange Transactions - note 15	Understated	1 334 594
- Unspent Conditional Government Grants - note 16	Overstated	(1 334 594)
- Government Grants and Subsidies - Operating - note 22	Overstated	(2 869 565)
- Government Grants and Subsidies - Capital - note 22	Overstated	(17 795 840)
- Construction Contracts - note 34	Understated	20 665 406
- Contracted Services - note 42	Understated	17 795 840
- Accumulated Surplus - note 46.7	Overstated	(34 381 293)

#### 46.6 Output VAT on Library Grants

In prior years, all funds received from the Department of Cultural Affairs and Sport (DCAS) relating to the library services were treated as zero rated grants and accordingly no Output VAT was declared on the said funds.

During the 2022/23 statutory audit, the Auditor-General issued a finding that the funds being received from the DCAS are in deed for services being rendered to the Department, as the library function has not been assigned to municipalities. Given the afore-mentioned, it was concluded that the standard VAT rate of 15% be applied, resulting in Output VAT being payable to SARS.

During the current year, the Municipality requested a Section 41B VAT class ruling from the South African Revenue Service (SARS). As at reporting date, no formal ruling has been issued by SARS. Preliminary discussions with SARS indicated that the ruling may not be favourable towards to Municipality. Given this, the Municipality took a conservation approach to recognised a provision in this regard, whereby Output VAT was calculated on funds received for the financial periods from 2018/19 to 2023/24. The afore-mentioned will result in the comparative figures being restated.

The net effect of the above-mentioned were as follows:

- Current Provisions - note 18	Understated	3 225 709
- Government Grants and Subsidies - Operating - note 22	Overstated	(705 391)
- Accumulated Surplus - note 46.7	Overstated	(2 520 317)

#### 46.7 Accumulated Surplus

Receivables from Exchange Transactions - note 46.1	Understated	113 636
Property, Plant and Equipment - note 46.2	Understated	80 425
Payables from Exchange Transactions - note 46.3	Understated	659 582
Accounting treatment of the Integrated National Electrification Programme (INEP) - note 46.5	Overstated	(34 381 293)
Output VAT on Library Grants - note 46.6	Overstated	(2 520 317)
<b>Total</b>		<b>(36 047 967)</b>

### 47 PRIOR PERIOD ADJUSTMENTS - RECLASSIFICATIONS

In line with the requirements of GRAP 1, the Municipality resolved to reclassify the following items to reflect the nature of the item under a more appropriate line item in the Statement of Financial Performance:

Item	Previous Classification	Revised Classification	Amount
Landfill Sites - iGRAP 2 Adjustments	Other Income	Fair Value Adjustment Gains	722 376
Post Retirement Medical Benefits	Actuarial Gains (removed)	Fair Value Adjustment Gains	6 720 220
Long Service Awards	Actuarial Gains (removed)	Fair Value Adjustment Gains	625 884
Camping and Entrance Fees	Rental of Facilities and Equipment	Other Income	2 892 584
Severance Package	Employee Related Costs	Transfers and Grants	369 512



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### NET CASH FROM OPERATING ACTIVITIES

Net Surplus for the year	40 431 702	5 490 352
Adjusted for:		
Non-cash revenue included in Net Surplus	(15 129 738)	(8 068 370)
Fair Value Adjustment Gains	(9 579 622)	(8 068 480)
Actuarial Gains	(2 045 830)	(7 346 104)
Landfill Sites - iGRAP 2 Adjustments	(291 370)	(722 376)
Off-Market Portion of Municipal Debt Relief	(7 242 423)	-
Debt Forgiveness	(5 550 229)	-
Rental of Facilities and Equipment - decrease in operating lease asset	112	110
Non-cash expenditure included in Net Surplus	117 670 979	103 961 675
Employee Related Costs - Contributions towards	11 082 938	9 985 553
Post Retirement Medical Benefits	1 300 000	2 154 000
Long Service Awards	493 000	532 000
Bonuses	6 364 674	6 240 554
Staff Leave	1 704 136	571 246
Performance Bonuses	507 169	(131 558)
Standby and Overtime	713 958	619 311
Debt Impairment	50 383 603	34 315 238
Depreciation and Amortisation	26 567 369	25 155 199
Impairment	15 639 907	25 182 218
Finance Charges	13 332 108	9 192 326
Post Retirement Medical Benefits	3 691 000	3 736 000
Long Service Awards	630 000	623 000
Rehabilitation of Landfill Sites	6 097 168	4 833 326
Municipal Debt Relief	2 913 941	-
Other Expenditure - decrease in operating lease liability	(774)	(3 984)
Loss on disposal of Non-Monetary Assets	665 827	135 125
Cash expenditure not included in Net Surplus	(10 109 914)	(10 434 617)
Post Retirement Medical Benefits	(1 598 039)	(1 332 780)
Long Service Awards	(689 132)	(822 116)
Bonuses	(6 239 322)	(6 395 280)
Staff Leave	(964 110)	(1 229 725)
Performance Bonus	-	(194 058)
Standby and Overtime	(619 311)	(460 657)
Operating Surplus before changes in working capital	132 863 029	90 949 040
Movement in working capital	(52 168 919)	(39 502 239)
Receivables from Exchange Transactions	(21 241 913)	(13 880 873)
Receivables from Non-Exchange Transactions	(37 886 702)	(17 436 281)
Inventory	(126 347)	407 806
Long-term Receivables	(2 991 678)	(563 189)
Long-term Liabilities (Repayment Arrangements)	(39 471 931)	39 471 931
Long-term Liabilities (Eskom Debt Relief)	41 772 256	-
Consumer Deposits	202 729	255 636
Payables from exchange transactions - Operating	3 169 954	(51 096 875)
Total	(2 137 966)	(51 672 906)
Add back: Capital included in Trade Payables	5 575 123	(1 217 776)
Add back: Retentions	(267 202)	1 793 807
Unspent Conditional Government Grants	5 686 881	2 028 566
Current Provisions	830 870	705 391
Taxes	(2 113 038)	605 649
<b>Cash Flow from Operating Activities</b>	<b>80 694 110</b>	<b>51 446 801</b>



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<b>49</b>	<b>CASH AND CASH EQUIVALENTS (FOR CASH FLOW STATEMENT PURPOSES)</b>		
	Cash and Cash Equivalents comprise out of the following:		
	Primary Bank Account	10 017 842	6 316 618
	Call and Notice Deposits	51 234 148	22 454 705
	Cash Floats	6 226	6 226
	<b>Total</b>	<b>61 258 215</b>	<b>28 777 549</b>

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

## 50 BUDGET COMPARISONS

### 50.1 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

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 items 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:

<b>Item</b>	<b>GRAP Classification</b>	<b>Budget Classification</b>	<b>Amount</b>
<b>Revenue</b>			
Outstanding Debtors	Interest Earned - Outstanding Debtors	Interest Earned from Receivables (Non-Exchange)	4 207 894
Insurance Refund	Insurance Refund	Operational Revenue (Exchange)	112 012
West Coast District Municipality	Debt Forgiveness	Transfers and subsidies - capital (in-kind)	2 244 240
Eskom Holdings SOC Ltd	Debt Forgiveness	Transfers and subsidies - capital (in-kind)	3 305 989
Department of Infrastructure	Construction Contracts	Transfers and Subsidies - Operational	1 756 391
Integrated National Electrification Programme (INEP)	Construction Contracts	Transfers and Subsidies - Operational	32 003 000
<b>Expenditure</b>			
Workmens Compensation Fund	Employee Related Cost	Operational Costs	757 484
Water	Bulk Purchases	Inventory Consumed	622 471
Chemicals	Other Expenditure	Inventory Consumed	211 347
Cleaning Materials	Other Expenditure	Inventory Consumed	209 792
Fuel and Oil	Other Expenditure	Inventory Consumed	5 464 113
Maintenance Materials and Tools	Other Expenditure	Inventory Consumed	3 805 352
Other Expenditure	Other Expenditure	Inventory Consumed	233 747
Printing and Stationery	Other Expenditure	Inventory Consumed	380 438



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### 50 BUDGET COMPARISONS (CONTINUED)

Summary of Reclassification to Actuals	Notes	Actuals per Statement of Financial Performance R	Reclassification due to mSCOA versus GRAP classification R	Actuals per Budget Comparison R
<b>REVENUE</b>				
<b>Exchange Revenue</b>		<b>218 728 906</b>	<b>(4 095 882)</b>	<b>214 633 024</b>
Service Charges - Electricity	28	127 401 381	-	127 401 381
Service Charges - Water	28	32 780 700	-	32 780 700
Service Charges - Waste Water Management	28	16 350 614	-	16 350 614
Service Charges - Waste Management	28	14 106 018	-	14 106 018
Sale of Goods and Rendering of Services	33	4 559 879	-	4 559 879
Agency services	32	4 299 701	-	4 299 701
Interest Earned from Receivables (Exchange)	31	12 325 085	(4 207 894)	8 117 192
Interest Earned from Current and Non Current Assets	30	5 190 675	-	5 190 675
Rental from Fixed Assets	29	969 797	-	969 797
Licences and Permits	33	11 059	-	11 059
Operational Revenue (Exchange)	33	733 997	112 012	846 009
<b>Non-Exchange Revenue</b>		<b>207 032 986</b>	<b>32 305 044</b>	<b>239 338 031</b>
Property Rates	21	73 692 932	-	73 692 932
Fines, Penalties and Forfeits	25	32 934 099	-	32 934 099
Transfers and Subsidies - Operational	22	81 534 606	33 759 391	115 293 997
Interest Earned from Receivables (Non-Exchange)		-	4 207 894	4 207 894
Operational Revenue (Non-Exchange)	23 & 24	3 741 498	(112 012)	3 629 486
Other Gains	26 & 27	15 129 851	(5 550 229)	9 579 622
<b>Construction Contracts</b>		<b>33 759 391</b>	<b>(33 759 391)</b>	<b>-</b>
<b>Total Revenue (excluding capital transfers)</b>		<b>459 521 283</b>	<b>(5 550 229)</b>	<b>453 971 055</b>
<b>EXPENDITURE</b>				
Employee Related Costs	35	131 576 928	(757 484)	130 819 444
Remuneration of Councillors	36	6 081 304	-	6 081 304
Bulk Purchases - Electricity	41	106 125 126	(622 471)	105 502 654
Inventory Consumed		-	10 927 259	10 927 259
Debt Impairment	37	50 383 603	-	50 383 603
Depreciation and Amortisation	38 & 39	42 207 276	-	42 207 276
Interest	40	14 961 296	-	14 961 296
Contracted Services	42	56 826 535	-	56 826 535
Transfers and Subsidies	43	198 026	-	198 026
Operational Costs	44	36 343 258	(9 547 304)	26 795 954
Losses on Disposal of Assets	45	665 827	-	665 827
<b>Total Expenditure</b>		<b>445 369 180</b>	<b>-</b>	<b>445 369 180</b>
<b>Surplus/(Deficit)</b>		<b>14 152 103</b>	<b>(5 550 229)</b>	<b>8 601 874</b>
Transfers and Subsidies - Capital (monetary allocations)	22	26 279 599	-	26 279 599
Transfers and subsidies - capital (in-kind)		-	5 550 229	5 550 229
<b>Surplus/(Deficit) for the year</b>		<b>40 431 702</b>	<b>-</b>	<b>40 431 702</b>



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### 50 BUDGET COMPARISONS (CONTINUED)

#### Cash Flow Statement

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

- Consumer Deposits are budgeted under "Increase/(Decrease) in Consumer Deposits", but for GRAP purposes are disclosed as "Other Revenue".
- Funding received from the Department of Infrastructure and Integrated National Electrification Programme (INEP) are budgeted as part of "Government Grants", but for GRAP purposes are disclosed as "Other Revenue and Receipts".

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 (GRAP / Budget)	As per GRAP Cash Flow Statement	Adjustment	As per Budget Cash Flow Statement
Other Revenue and Receipts / Other Revenue	52 180 406	(36 959 120)	15 221 286
Government Grants / Transfers and Subsidies	113 633 510	36 756 391	150 389 901
Increase (decrease) in consumer deposits	-	202 729	202 729

### 50.2 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 2022/23.

#### Actual Amounts vs Final Budget

Cash and Cash Equivalents	More cash was available at year-end due to general savings on operating expenditure and an underspending on capital expenditure. Also more unpaid creditors at year-end than anticipated and not all grants were spent in full.
Trade and Other Receivables from Exchange Transactions	Actuals are more than budget due to a lower allowance for debt impairment than initially budgeted. Management took a conservative approach when budgeting for the allowance for debt impairment.
Receivables from Non-Exchange Transactions	Actuals are more than budget due to a lower allowance for debt impairment than initially budgeted. Management took a conservative approach when budgeting for the allowance for debt impairment.
Property, Plant and Equipment	Actuals were less than budget due to impairment of the marine outflow and Integrated National Electrification Programme (INEP) funding which was assessed is not being of a capital nature. Both the afore-mentioned were disclosed as prior year errors.
Trade and Other Payables from Exchange Transactions	Actuals were more than budget due to more unpaid creditors at year-end.
Trade and Other Payables from Non-Exchange Transactions	Actuals were more than budget due to grant funded projects not spent in full at year-end
Provisions (Current Liabilities)	Actuals more than budget due to the provision created for potential Output VAT on library grants as disclosed in note 46.6.
Accumulated Surplus	Actuals are less than budget as a result of the items listed under the Statement of Financial Performance section and also the prior year errors as identified in note 46.7.



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

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### 50 BUDGET COMPARISONS (CONTINUED)

#### 50.3 Statement of Financial Performance

##### Adjustments to Original Budget

Service charges - Electricity	Increased due to lower levels of load-shedding experienced than initially anticipated.
Interest Earned from Receivables (Exchange)	With the original budget, both interest from exchange and non-exchange transactions were incorrectly included under the line item "Interest Earned from Receivables (Non-Exchange)". The interest split was corrected with the final budget.
Fines, Penalties and Forfeits	Increased due to the appointment of traffic fines management service provider.
Transfers and Subsidies - Operational	Increased due to the Integrated National Electrification Programme (INEP) grant which was initially budgeted for as a capital grant, but subsequently assessed as being an operating grant.
Interest Earned from Receivables (Non-Exchange)	With the original budget, both interest from exchange and non-exchange transactions were incorrectly included under the line item "Interest Earned from Receivables (Non-Exchange)". The interest split was corrected with the final budget.
Other Gains	Increased due to the off-market portion of the Municipal Debt Relief which relate to the interest benefit received by the Municipality on the interest free loan.
Employee Related Costs	Decreased due to savings as a result of employees who resigned, of which their positions were not filled during the financial year.
Bulk Purchases - Electricity	Increased due to lower levels of load-shedding experienced than initially anticipated.
Debt Impairment	Increased to make provision for the increase in traffic fines revenue, as traffic fines have a relatively low collection rate.
Depreciation and Amortisation	Increased to make provision for the impairment on the Lamberts Bay desalination plant.
Contracted Services	Increased due to the Integrated National Electrification Programme (INEP) grant which was initially budgeted for as a capital grant, but subsequently assessed as being an operating grant.
Other Losses	Increased to make provision for potential actuarial losses emanating from the annual actuarial calculation on Employee Benefits.
Transfers and Subsidies - Capital (monetary allocations)	Decreased due to the Integrated National Electrification Programme (INEP) grant which was initially budgeted for as a capital grant, but subsequently assessed as being an operating grant.
Transfers and Subsidies - Capital (in-kind)	Increased to make provision for debt forgiveness (write-offs) pertaining to Eskom and West Coast District Municipality.

##### 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.



# CEDERBERG LOCAL MUNICIPALITY

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### 50 BUDGET COMPARISONS (CONTINUED)

#### Actual Amounts vs Final Budget

Transfers and Subsidies - Operational	Actuals are less than budget due to the INEP and Department of Infrastructure bridge funding arrangement not concluded at year-end. The matter is currently residing at DoHS.
Other Gains	Gains were less than budget due to the actuarial gains being less than anticipated. The budget was based on the prior year's actuarial results.
Employee Related Costs	Actuals less than budget as not all budgeted positions were filled year-end.
Debt Impairment	Actuals are less than budget due to a lower allowance for debt impairment than initially budgeted. Management took a conservative approach when budgeting for the allowance for debt impairment.
Contracted Services	Actuals are less than budget due to the INEP and Department of Infrastructure bridge funding arrangement not concluded at year-end. The matter is currently residing at DoHS.
Other Losses	Losses were less than budget due to no actuarial losses being recognised based on the actuarial reports. The budget was based on the prior year's actuarial results.
Transfers and Subsidies - Capital (monetary allocations)	Actuals are less than budget as not all grant funded capital projects were concluded prior to year-end, mainly due to the Municipal Disaster Response Grant of which the funds were only received during March 2024 and incorporated into the April 2024 adjustment budget.

### 50.4 Cash Flow Statement

#### Adjustments to Original Budget

Net Cash from/(used) Operating Activities	<p>Service Charges (Electricity) were increased mainly due to less load-shedding than initially anticipated.</p> <p>Transfers and Subsidies were decreased mainly due to the repayment of National Government grants.</p> <p>Suppliers and Employees were increased mainly due to the Integrated National Electrification Programme (INEP) grant which was initially budgeted for as a capital grant, but subsequently assessed as being an operating grant. In addition, the budget also made provision for an additional payment of outstanding creditors amounting to R33 million.</p>
Net Cash from/(used) Investing Activities	Capital Assets decreased mainly due to the Integrated National Electrification Programme (INEP) grant which was initially budgeted for as a capital grant, but subsequently assessed as being an operating grant.

#### Actual Amounts vs Final Budget

Net Cash from/(used) Operating Activities	Suppliers and Employees were less than budget mainly due on to the underspending of the operating expenditure budget as a result of the items listed under the "Statement of Financial Performance" section and more unpaid creditors at year-end than anticipated.
Net Cash from/(used) Investing Activities	Actuals are less than budget due to 78% of capital budget spent during the year.



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

#### 51.1 Unauthorised Expenditure

Unauthorised expenditure can be reconciled as follow:

Opening balance	2 369 206	-
Unauthorised expenditure current year - operating	974 750	48 658
Unauthorised expenditure current year - capital	-	2 320 548
Approved by Council	(2 369 206)	-
<b>Unauthorised expenditure awaiting further action</b>	<b>974 750</b>	<b>2 369 206</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:

	2024 (Actual) R	2024 (Final Budget) R	2024 (Unauthorised) R	2023 (Unauthorised) R
<b>Expenditure - Operating</b>				
Vote 1 - Executive and Council	8 750 476	9 240 472	-	-
Vote 2 - Office of Municipal Manager	16 226 265	17 348 885	-	-
Vote 3 - Financial Administrative Services	72 238 253	82 829 313	-	-
Vote 4 - Community Development Services	10 582 946	11 608 658	-	-
Vote 5 - Corporate and Strategic Services	21 687 533	21 942 476	-	-
Vote 6 - Planning and Development Services	11 089 691	11 387 140	-	-
Vote 7 - Public Safety	43 398 173	50 309 362	-	-
Vote 8 - Electricity	152 780 328	151 805 578	974 750	-
Vote 9 - Waste Management	17 840 938	18 012 056	-	-
Vote 10 - Waste Water Management	19 597 893	20 197 782	-	48 658
Vote 11 - Water	39 390 392	46 133 010	-	-
Vote 12 - Housing	4 173 923	9 311 095	-	-
Vote 13 - Road Transport	14 917 218	15 859 430	-	-
Vote 14 - Sports and Recreation	12 695 151	13 707 974	-	-
<b>Total</b>	<b>445 369 180</b>	<b>479 693 231</b>	<b>974 750</b>	<b>48 658</b>

The overspending incurred is attributable to Bulk Electricity Purchases due to load-shedding being suspended (2023: Depreciation and Amortisation)

#### Expenditure - Capital

Vote 1 - Executive and Council	-	-	-	-
Vote 2 - Office of Municipal Manager	-	-	-	-
Vote 3 - Financial Administrative Services	115 410	125 000	-	-
Vote 4 - Community Development Services	540 107	543 173	-	-
Vote 5 - Corporate and Strategic Services	1 261 140	1 512 826	-	-
Vote 6 - Planning and Development Services	3 411 692	3 748 746	-	2 320 548
Vote 7 - Public Safety	-	40 000	-	-
Vote 8 - Electricity	4 362 570	7 890 739	-	-
Vote 9 - Waste Management	12 996 681	12 997 330	-	-
Vote 10 - Waste Water Management	7 848 245	9 997 231	-	-
Vote 11 - Water	6 387 607	10 267 290	-	-
Vote 12 - Housing	3 062 833	3 876 000	-	-
Vote 13 - Road Transport	1 604 228	2 566 368	-	-
Vote 14 - Sports and Recreation	71 604	99 600	-	-
<b>Total</b>	<b>41 662 116</b>	<b>53 664 303</b>	<b>-</b>	<b>2 320 548</b>

The 2022/23 overspending relate to MIG funded projects. A Detail Project Implementation Plan (DPIP) was approved by Council on 31 May 2023, which was after the final adjustment budget was approved. Accordingly, the adjustment budget was not aligned to the expenditure requirements of the DPIP. The approval of the DPIP itself does not meet the conditions to table an adjustment budget as set out in the MFMA and Budget Regulations.



# CEDERBERG LOCAL MUNICIPALITY

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

#### 51.2 Irregular Expenditure

Irregular expenditure can be reconciled as follow:

Opening balance	71 436 932	35 203 795
Irregular expenditure identified in current year, which was incurred as follows:	16 603 924	36 233 137
Current year	16 214 412	33 958 467
Prior years	389 512	2 274 669
Approved by Council	(71 436 932)	-
Amounts to be recovered	-	-
<b>Irregular expenditure awaiting further action</b>	<b>16 603 924</b>	<b>71 436 932</b>

Details of irregular expenditure identified in the current year

(a) Procurement process not followed with regards to a supplier appointed by Council in 2011	4 819 224	29 267 845
(b) Non-compliance of SCM Regulation 17(1) - reasons for less than 3 quotes not approved	1 656 818	-
(c) Goods delivered and services rendered without an order	-	-
(d) Services rendered after contract expired	91 735	163 214
(e) Goods and services above R200 000 not procured through a competitive bidding process	868 691	459 531
(f) SCM Policy exclusions not in accordance with MFMA Section 112	588 147	1 272 080
(g) Non-compliance with PPR 2022 - 80/20 principle not applied on quotations below R30 000	2 381 913	1 093 294
(h) Written price quotations were not obtained from at least three different prospective suppliers	4 449 963	239 762
(i) Supplier declaration of interest not provided	-	303 600
(j) Variation order was not dealt in accordance with the SCM Policy and MFMA Section 116(3)	1 069 232	3 433 812
(k) Deviations not considered to be impractical or exceptional circumstances	678 201	-
<b>Total</b>	<b>16 603 924</b>	<b>36 233 137</b>

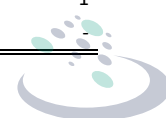
Details of irregular expenditure awaiting further action:

(a) Procurement process not followed with regards to a supplier appointed by Council in 2011	4 819 224	55 834 765
(b) Non-compliance of SCM Regulation 17(1) - reasons for less than 3 quotes not approved	1 656 818	10 893 556
(c) Goods delivered and services rendered without an order	-	328 456
(d) Services rendered after contract expired	91 735	163 214
(e) Goods and services above R200 000 not procured through a competitive bidding process	868 691	459 531
(f) SCM Policy exclusions not in accordance with MFMA Section 112	588 147	1 272 080
(g) Non-compliance with PPR 2022 - 80/20 principle not applied on quotations below R30 000	2 381 913	1 093 294
(h) Written price quotations were not obtained from at least three different prospective suppliers	4 449 963	239 762
(i) Supplier declaration of interest not provided	-	303 600
(j) Variation order was not dealt in accordance with the SCM Policy and MFMA Section 116(3)	1 069 232	848 674
(k) Deviations not considered to be impractical or exceptional circumstances	678 201	-
<b>Total</b>	<b>16 603 924</b>	<b>71 436 932</b>

Incidents/cases identified in the current year include:

(a) Procurement process not followed with regards to a supplier appointed by Council in 2011	-	-
(b) Non-compliance of SCM Regulation 17(1) - reasons for less than 3 quotes not approved	48	-
(c) Goods delivered and services rendered without an order	-	-
(d) Services rendered after contract expired	-	1
(e) Goods and services above R200 000 not procured through a competitive bidding process	3	-
(f) SCM Policy exclusions not in accordance with MFMA Section 112	-	4
(g) Non-compliance with PPR 2022 - 80/20 principle not applied on quotations below R30 000	185	75
(h) Written price quotations were not obtained from at least three different prospective suppliers	747	3
(i) Supplier declaration of interest not provided	-	1
(j) Variation order was not dealt in accordance with the SCM Policy and MFMA Section 116(3)	-	1
(k) Deviations not considered to be impractical or exceptional circumstances	1	-

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





# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

Figures in Rand		2024	2023
51	<b>UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (CONTINUED)</b>		
51.3	<b>Fruitless and Wasteful Expenditure</b>		
	Fruitless and wasteful expenditure can be reconciled as follow:		
	Opening balance	12 110 781	8 199 226
	Fruitless and wasteful expenditure incurred - current year	1 164 184	3 101 160
	Fruitless and wasteful expenditure incurred - prior year	-	810 394
	Fruitless and wasteful expenditure recovered / debt waived by supplier	(1 149 601)	-
	Approved by Council	(12 110 781)	-
	<b>Fruitless and wasteful expenditure awaiting further action</b>	<b>14 582</b>	<b>12 110 781</b>
	Details of fruitless and wasteful expenditure incurred		
	(a) Interest levied on overdue accounts	14 582	70
	(b) Interest levied by Eskom on overdue accounts	1 149 601	3 911 485
	<b>Total</b>	<b>1 164 184</b>	<b>3 911 555</b>
	Details of fruitless and wasteful expenditure awaiting further action:		
	(a) Interest levied on overdue accounts	14 582	2 324
	(b) Interest levied by Eskom on overdue accounts	-	11 936 345
	(c) Payment to supplier for goods and services not yet rendered	-	172 112
	<b>Total</b>	<b>14 582</b>	<b>12 110 781</b>
	Disciplinary steps or criminal proceedings undertaken on above-mentioned fruitless and wasteful expenditure incurred:		
	(a) The matter will be tabled to MPAC for resolution.		
52	<b>MATERIAL LOSSES</b>		
52.1	<b>Water distribution losses</b>		
	Kilo litres disinfected/purified/purchased	2 667 450	2 407 326
	Kilo litres sold and free basic services	(1 842 954)	(1 744 751)
	Kilo litres lost during distribution	824 496	662 575
	Percentage lost during distribution	30.91%	27.52%
	Normal pipe bursts and field leakages are responsible for water losses.		
52.2	<b>Electricity distribution losses</b>		
	Units purchased (Kwh)	50 258 820	51 403 622
	Units sold, free basic services and standard friction losses	(45 893 289)	(48 244 167)
	Units lost during distribution (Kwh)	4 365 531	3 159 455
	Percentage lost during distribution	8.69%	6.15%
	Electricity losses are due to electricity theft on pre-paid meters. Fines were issued for first time offenders.		
53	<b>ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT</b>		
53.1	<b>SALGA Contributions [MFMA 125 (1)(b)]</b>		
	Opening balance	-	-
	Expenditure incurred	1 344 107	1 378 291
	Payments	(1 344 107)	(1 378 291)
	<b>Outstanding balance</b>	<b>-</b>	<b>-</b>



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

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53	ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)		
53.2	Audit Fees [MFMA 125 (1)(c)]		
	Opening balance	-	686 012
	Expenditure incurred	6 585 295	5 531 096
	Audit Fees	5 725 894	4 809 649
	Interest on late payments	517	-
	VAT	858 884	721 447
	Payments	(6 585 295)	(6 217 108)
	Outstanding Balance	-	-
53.3	VAT [MFMA 125 (1)(c)]		
	Opening balance	742 795	(646 605)
	Net amount claimed/(declared) during the year	5 071 161	1 443 186
	Net amount paid/(received) during the year	(3 253 042)	(53 787)
	Outstanding Balance Receivable/(Payable)	2 560 914	742 795
	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.		
53.4	PAYE, SDL and UIF [MFMA 125 (1)(c)]		
	Opening balance	1 546 093	1 532 341
	Payroll deductions and Council Contributions during the year	21 359 860	19 585 024
	Payments	(22 905 953)	(19 571 272)
	Outstanding Balance	-	1 546 093
53.5	Pension and Medical Aid Contributions [MFMA 125 (1)(c)]		
	Opening balance	2 324 476	-
	Payroll deductions and Council Contributions during the year	29 418 804	29 469 257
	Payments made to pension and medical fund	(31 743 280)	(27 144 781)
	Outstanding Balance	-	2 324 476
53.6	Councillors Arrear Accounts [MFMA 124 (1)(b)]		
	No Councillors had arrear accounts outstanding of more than 90 days as on 30 June.		
53.7	Deviations from Supply Chain Management Regulations		
	Deviations from Supply Chain Management Regulations were identified on the following categories:		
	Section 36(1)(a)(i) - Emergencies	978 435	1 601 883
	Section 36(1)(a)(ii) - Single provider	454 768	278 767
	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	5 630 463	339 653
	Total	7 063 666	2 220 303
	Deviations from Supply Chain Management Regulations can be allocated as follow:		
	Office of the Municipal Manager	11 788	5 233
	Support Services (Corporate and Community)	835 486	349 445
	Finance Services	4 241 076	-
	Technical Services	1 975 316	1 865 626
	Total	7 063 666	2 220 303

All the deviations were ratified by the Municipal Manager and reported to Council.



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

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### 53 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (CONTINUED)

#### 53.8 Other Non-Compliance [MFMA 125(2)(e)]

##### (a) Payments not made within 30 days

Money owed by the Municipality was not always paid within 30 days, as required by section 65(2)(e) of the Municipal Finance Management Act.

### 54 CAPITAL COMMITMENTS

Approved and contracted for

Infrastructure	13 963 934	896 265
Community Assets	-	10 232 369
<b>Total</b>	<b>13 963 934</b>	<b>11 128 634</b>
This expenditure will be financed from:		
Government Grants	13 963 934	11 128 634
Own funding	-	-
<b>Total</b>	<b>13 963 934</b>	<b>11 128 634</b>

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

The comparative figures have been restated from R55 554 780 to R11 128 634 due to invalid capital commitments included in the register of which the Integrated National Electrification Programme (INEP), as discussed in note 46.5, was the most significant.

### 55 FINANCIAL RISK MANAGEMENT

The Municipality is potentially exposed to the following risks:

#### 55.1 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	61 251 990	28 771 324
Receivables from exchange transactions	32 408 431	26 213 542
Receivables from non-exchange transactions	630 950	504 828
Long-term Receivables	2 895 823	435 408
<b>Total</b>	<b>97 187 194</b>	<b>55 925 101</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.



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

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### 55 FINANCIAL RISK MANAGEMENT (CONTINUED)

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	3 218 892	2 535 811
Water	4 297 005	4 414 259
Refuse	1 845 155	1 578 513
Sewerage	2 382 652	1 919 828
Interest	1 759 080	998 934
Other	118 685	125 005
Availability Charges	480 009	376 276
<b>Total</b>	<b>14 101 477</b>	<b>11 948 626</b>

Past due receivables are aged as follow:

1 to 3 months overdue	5 978 339	4 538 903
4 months to 1 year overdue	4 044 174	3 651 790
1 year overdue	4 078 964	3 757 932
<b>Total</b>	<b>14 101 477</b>	<b>11 948 626</b>

### 55.2 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.

### 55.3 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)	61 251 990	28 771 324
Long-term Liabilities (including current portion)	-	-
<b>Net balance exposed</b>	<b>61 251 990</b>	<b>28 771 324</b>

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

0.5% (2023 - 0.5%) increase in interest rates	306 260	143 857
0.5% (2023 - 0.5%) decrease in interest rates	(306 260)	(143 857)

### 55.4 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 65, but managed to submit a cash funded budget for the current financial year.

The Municipality also monitors its cash balances on a daily basis to ensure cash resources are available to settle short term obligations.



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

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### 55 FINANCIAL RISK MANAGEMENT (CONTINUED)

The following balances are exposed to liquidity risk:

	Within 1 Year	Between 2 to 5 years	After 5 years	Total
<b>30 JUNE 2024</b>				
Annuity Loans	1 985 577	510 819	-	2 496 397
Finance Lease Liabilities	187 500	-	-	187 500
Municipal Debt Relief	13 924 085	27 848 171	-	41 772 256
Payables from Exchange Transactions	47 725 392	-	-	47 725 392
<b>Total</b>	<b>63 822 555</b>	<b>28 358 990</b>	<b>-</b>	<b>92 181 545</b>
<b>30 JUNE 2023</b>				
Annuity Loans	1 985 577	2 496 397	-	4 481 974
Finance Lease Liabilities	375 000	187 500	-	562 500
Payables with Repayment Arrangements	25 386 555	14 085 376	-	39 471 931
Payables from Exchange Transactions	56 250 965	-	-	56 250 965
<b>Total</b>	<b>83 998 097</b>	<b>16 769 273</b>	<b>-</b>	<b>100 767 370</b>

#### 55.5 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.

### 56 FINANCIAL INSTRUMENTS

The Municipality recognised the following financial instruments at amortised cost:

#### Financial Assets

Cash and Cash Equivalents	61 251 990	28 771 324
Bank Accounts	10 017 842	6 316 618
Call Investment Deposits	51 234 148	22 454 705
Receivables from Exchange Transactions	32 408 431	26 213 542
Electricity	16 275 879	12 763 017
Water	7 655 353	7 404 811
Refuse	2 764 720	2 470 575
Sewerage	3 451 877	2 730 989
Interest	1 506 575	658 402
Other	189 346	185 748
Accrued Interest	564 681	-
Receivables from Non-Exchange Transactions	630 950	504 828
Availability Charges	630 950	504 828
Long-term Receivables	2 895 823	435 408
Receivables with repayment arrangements	2 895 823	435 408
<b>Total</b>	<b>97 187 194</b>	<b>55 925 101</b>



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

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### 56 FINANCIAL INSTRUMENTS (CONTINUED)

#### Financial Liabilities

#### Payables from Exchange Transactions

Trade Payables	
Retentions	
Sundry Creditors	
Sundry Deposits	
Accrued Interest	
Unknown Receipts	
Department of Infrastructure	
Integrated National Electrification Programme (INEP)	

47 725 392

56 250 965

41 663 613

52 763 929

1 300 427

1 033 225

829 866

698 101

178 863

125 334

17 649

35 461

711 443

70 320

26 530

190 000

2 997 000

1 334 594

#### Long-term Liabilities

39 888 323

43 857 105

Annuity Loans	
Finance Lease Liabilities	
Payables with Repayment Arrangements	
Municipal Debt Relief	

2 263 326

3 871 874

181 223

513 300

-

39 471 931

37 443 774

-

#### Total

87 613 715

100 108 070

### 57 STATUTORY RECEIVABLES

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

#### Receivables from Non-Exchange Transactions

13 087 155

8 815 919

Rates
Fines

11 125 455

8 563 619

1 961 700

252 300

#### Taxes - VAT Claimable from SARS

2 517 829

727 662

#### Total

15 604 984

9 543 582

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 21 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 25 for traffic fines issued for the year. No interest is levied on outstanding traffic fines.

Taxes (Value Added Tax) are raised in terms of the Value Added Tax Act. No interest is paid by the South African Revenue Service on outstanding VAT claims.

#### Property Rates

- Past due at the reporting date, and which have been impaired
- Past due that have not been impaired

32 829 822

29 165 106

6 908 095

4 640 302



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

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### 58 PRINCIPAL-AGENT ARRANGEMENTS

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

#### 58.1 Western Cape Mobility Department

The Municipality acts as an agent for the Western Cape Mobility Department 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	908 449	591 875
Revenue collected from third parties	21 004 453	19 342 159
Commission earned on collections included in note 32	(3 029 790)	(2 744 482)
VAT on commission earned payable to the South African Revenue Services	(454 469)	(411 672)
Collections paid over to the Department	(18 103 853)	(15 869 430)
Collections payable to the Department at year-end	<b>324 791</b>	<b>908 449</b>

#### 58.2 Department of Infrastructure

The Municipality acts as an agent for the Department of Infrastructure to facilitate the deed transfers to qualifying beneficiaries.

The following transactions were undertaken as part of principal-agent arrangement:

Balance at beginning of year	190 000	-
Payments received from / (payments made to) the Department	45 525	240 000
Expenditure incurred on behalf of the Department	(208 995)	(50 000)
Balance at year-end	<b>26 530</b>	<b>190 000</b>

The comparative amounts have been restated by R367 000 due to the opening balance being incorrectly disclosed in the prior year.

#### 58.3 Prepaid Electricity Vendor

The Municipality is the principal in an arrangement with a service providers who sells prepaid electricity on its behalf. The prepaid electricity vendor (the agent) earns commission on the value of each transaction.

Reconciliation of transactions undertaken as part of principal-agent arrangement:

Collections receivable from prepaid electricity vendor at the beginning of the year	225 718	467 070
Transactions undertaken by the prepaid electricity vendor for the year	60 737 804	49 238 409
Prepaid electricity sales	47 314 053	40 110 470
VAT on prepaid electricity sales	7 097 108	6 016 541
Collections of arrear accounts	6 326 643	3 111 398
Collections received from prepaid electricity vendor	(60 532 857)	(49 479 761)
Collections receivable from prepaid electricity vendor at year-end	<b>430 664</b>	<b>225 718</b>
Compensation paid for agency activities		
Commission - Prepaid Electricity - note 44	1 174 136	854 326

### 59 EVENTS AFTER REPORTING DATE

The following events after reporting date are noted:

- Determination of upper limits of salaries, allowances and benefits of different members of municipal councils (Gazette no. No. 51407) were gazetted on 17 October 2024 for implementation effective from 1 July 2023. The financial impact is estimated at R183 568.

### 60 IN-KIND DONATIONS AND ASSISTANCE

No in-kind donations were received in the current or previous financial year.

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

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



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

Figures in Rand		2024	2023
<b>62</b>	<b>CONTINGENT LIABILITIES</b>		
	The Municipality were exposed to the following contingent liabilities at year end:		
<b>62.01</b>	<b>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>62.02</b>	<b>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 is ongoing, pleadings have closed and the Applicants have to set it down for hearing. The legal costs and disbursements that the Municipality may be liable for in the event that the application is successful, is estimated at R 250 000.		
<b>62.03</b>	<b>Matter against the Municipality – ISW van Zyl Cancellation of Water Agreement</b>	-	901 855
	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 341 886. In addition a contempt of Court Order ruling has been received in relation to this matter of which the claim is R 500 000 and the legal cost is estimated at R 59 969. This matter was concluded during the current year and the Municipality was only liable for legal fees.		
<b>62.04</b>	<b>Matter against the Municipality by Alister Ruiters (on behalf of his minor son, Alito Ruiters)</b>	2 412 089	2 412 089
	The applicant is claiming for 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. 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. Merits of the matter have been conceded. The plaintiff is claiming R 3 126 000, however the claim is quantified in the region of R 2 412 089.		
<b>62.05</b>	<b>Matter against the Municipality by Michael Damon (on behalf of his minor son, Marshall Damon)</b>	1 557 590	1 557 590
	The applicant is claiming for 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. 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. Merits of the matter have been conceded. The plaintiff is claiming R 3 126 000, however the claim is quantified in the region of R 1 557 590.		
<b>62.06</b>	<b>Matter against the Municipality by Clackson Power Company (Pty) Ltd</b>	-	3 793 785
	The applicant claimed for outstanding payments amounting to R 3 508 017 in total. The claim related to electricity supplied to the Municipality. During the current year, an out of court settlement was reached and signed.		
<b>62.07</b>	<b>Matter against the Municipality by Francina Johanna de Klerk</b>	1 000 000	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>62.08</b>	<b>Matter against the Municipality by Nicolaas Jacobus Klaassen</b>	620 000	620 000
	This matter involves a labour court review application against the Municipality. The legal costs are estimated at R 120 000 and the cost of reinstatement of the applicant (with backpay) is estimated at R 500 000.		
<b>62.09</b>	<b>Matter against the Municipality by CH Bester</b>	-	120 000
	This matter involves an application by CH Bester against the Municipality for declaratory relief. This matter was finalised during the current financial year.		
<b>62.10</b>	<b>Total</b>	<b>5 889 679</b>	<b>10 705 319</b>



# CEDERBERG LOCAL MUNICIPALITY

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### 63 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.

#### 63.1 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.

#### 63.2 Compensation of management personnel

Remuneration of management personnel are disclosed in notes 35 and 36.

#### 63.3 Current Employee Benefits

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

GF Matthyse	- Municipal Manager	25 205	10 511
HCA Witbooi	- Director: Support Services	51 500	-
R De Ridder	- Director: Technical Services	77 291	-
<b>Total</b>		<b>153 995</b>	<b>10 511</b>

#### 63.4 Other related party transactions

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

### 64 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)	7 200	36 245
HM Henderson	Sister of C Ockhuis (Cederberg Municipality)	1 800	1 800
Nelodia Transport	Spouse of WK Nel (SAPS)	-	2 800
NSRI		-	469 047
- C Robertson	Spouse of S Robertson (Department of Health)		
Akhile Management & Consulting		312 370	762 785
- B Hadebe	Spouse of M Hadebe (Ekurhuleni Municipality)		
Ekuseni Enterprises		97 902	617 680
- 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 (Pty) Ltd		86 129	-
- J Minnie	Spouse of JA Minnie (City of Cape Town)		
Neil Lyners & Associates (Rf) (Pty) Ltd		5 317 378	-
- O Potgieter	Daughter of A du Toit (Department of Water & Sanitation)		
<b>Total</b>		<b>5 822 778</b>	<b>1 890 356</b>



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

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### 65 FINANCIAL SUSTAINABILITY

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

#### 65.1 Financial Indicators

The following financial indicators were assessed:

Cash available for working capital requirements (positive balance)	44 133 277	18 838 428
Current Ratio (norm - at least 2:1)	1.18 : 1	0.66 : 1
Cash coverage ratio (norm - 3 months or more)	1.5 months	0.7 months
Creditors days (norm - 30 days or less)	113 days	151 days
Debtors collection rate (95% or more)	88.2%	91.0%
Operating surplus / (deficit)	14 152 103	(19 852 357)

When analysing the results of the ratio's it can be concluded that the Municipality managed to improve its financial position from the prior year, and it able to service its short-term obligations.

The Municipal Debt Relief arrangement as disclosed in note 13.4 is the main contributor to the improved financial position.

Council has approved a Budget Funding Plan to specific focus on the revenue collection and curbing expenditure.

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.

#### 65.2 Other Indicators

Contingent Liabilities are disclosed in note 62. The total exposure amounts to R 5 889 679, 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.

#### 65.3 Future Budget

When analysing the 2024/25 MTREF (Medium Term Revenue and Expenditure Framework) budget which was approved by Council in 2023/24, the projected financial indicators are as follow:

	2024/25	2025/26	2026/27
Cash available for working capital requirements (positive balance)	18 071 637	35 493 169	67 605 264
Current Ratio (norm - at least 2:1)	1.34:1	1.74:1	2.47:1
Cash coverage ratio (norm - 3 months or more)	0.61 months	1.08 months	1.91 months
Creditors days (norm - 30 days or less)	27 days	24 days	23 days
Debtors collection rate (95% or more)	92.0%	92.0%	92.0%
Operating surplus / (deficit)	329 504	(1 096 995)	(5 466 792)

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

#### 65.4 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.



# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

**Figures in Rand**

**2024**

**2023**

### 66 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.

### 67 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

### 68 SEGMENT REPORTING

#### 68.1 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

#### 68.2 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.

#### 68.3 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.

#### 68.4 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 2024

### 68 SEGMENT REPORTING (CONTINUED)

#### 68.5 Specific Segment Reporting

2024

#### REVENUE

	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>External Revenue from Non-Exchange Transactions</b>	<b>145 182 558</b>	<b>8 543 352</b>	<b>-</b>	<b>34 768 234</b>	<b>894 800</b>	<b>2 999 674</b>	<b>6 667 871</b>	<b>8 054 400</b>	<b>13 922 911</b>	<b>12 278 786</b>	<b>233 312 586</b>
Property Rates	73 692 932	-	-	-	-	-	-	-	-	-	73 692 932
Government Grants and Subsidies - Operating	58 184 572	4 976 614	-	-	894 175	423 488	3 016 200	3 646 953	6 010 193	4 382 412	81 534 606
Government Grants and Subsidies - Capital	347 826	3 564 427	-	-	625	2 576 186	1 318 630	3 548 427	7 318 474	7 605 005	26 279 599
Availability Charges	-	-	-	-	-	-	2 180 330	854 912	594 244	-	3 629 486
Insurance Refund	112 012	-	-	-	-	-	-	-	-	-	112 012
Fines, penalties and forfeits	250 975	2 311	-	32 523 994	-	-	152 710	4 109	-	-	32 934 099
Fair Value Adjustment Gains	9 288 252	-	-	-	-	-	-	-	-	291 370	9 579 622
Debt Forgiveness	3 305 989	-	-	2 244 240	-	-	-	-	-	-	5 550 229
<b>External Revenue from Exchange Transactions</b>	<b>18 923 947</b>	<b>211 906</b>	<b>2 958 991</b>	<b>4 368 069</b>	<b>1 618 683</b>	<b>-</b>	<b>127 401 381</b>	<b>32 780 700</b>	<b>16 350 614</b>	<b>14 114 617</b>	<b>218 728 906</b>
Service Charges	-	-	-	-	-	-	127 401 381	32 780 700	16 350 614	14 106 018	190 638 712
Rental of Facilities and Equipment	758 344	211 453	-	-	-	-	-	-	-	-	969 797
Interest Earned - external investments	5 190 675	-	-	-	-	-	-	-	-	-	5 190 675
Interest Earned - outstanding debtors	12 325 085	-	-	-	-	-	-	-	-	-	12 325 085
Agency Services	-	-	-	4 299 701	-	-	-	-	-	-	4 299 701
Other Income	649 842	453	2 958 991	68 368	1 618 683	-	-	-	-	8 599	5 304 935
<b>Construction Contracts</b>	<b>-</b>	<b>1 756 391</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32 003 000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33 759 391</b>
<b>TOTAL REVENUE</b>	<b>164 106 504</b>	<b>10 511 650</b>	<b>2 958 991</b>	<b>39 136 302</b>	<b>2 513 483</b>	<b>2 999 674</b>	<b>166 072 251</b>	<b>40 835 100</b>	<b>30 273 525</b>	<b>26 393 403</b>	<b>485 800 883</b>
<b>EXPENDITURE</b>											
Employee Related Costs	48 412 958	15 369 653	3 830 732	11 856 854	9 042 007	6 149 598	9 340 077	12 535 390	5 482 616	9 557 044	131 576 928
Remuneration of Councillors	6 081 304	-	-	-	-	-	-	-	-	-	6 081 304
Debt Impairment	18 089 811	-	-	27 486 464	-	-	942 447	(299 507)	2 571 493	1 592 895	50 383 603
Depreciation and Amortisation	1 592 220	785 795	164 295	99 474	21 815	6 045 564	4 188 250	5 010 651	6 487 892	2 171 413	26 567 369
Impairment	-	-	-	-	-	-	-	14 718 289	-	921 618	15 639 907
Finance Charges	14 961 296	-	-	-	-	-	-	-	-	-	14 961 296
Bulk Purchases	-	-	-	-	-	-	105 502 654	622 471	-	-	106 125 126
Contracted Services	15 527 628	2 373 963	38 662	2 557 085	467 365	887 037	30 624 766	1 089 258	1 584 483	1 676 287	56 826 535
Transfers and Grants	10 261	-	-	187 764	-	-	-	-	-	-	198 026
Other Expenditure	18 408 472	986 070	259 665	1 210 532	354 438	1 835 019	2 182 134	5 713 840	3 471 408	1 921 680	36 343 258
Loss on disposal of Non-Monetary Assets	665 827	-	-	-	-	-	-	-	-	-	665 827
<b>Total Expenditure</b>	<b>123 749 779</b>	<b>19 515 481</b>	<b>4 293 354</b>	<b>43 398 173</b>	<b>9 885 625</b>	<b>14 917 218</b>	<b>152 780 328</b>	<b>39 390 392</b>	<b>19 597 893</b>	<b>17 840 938</b>	<b>445 369 180</b>
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>40 356 726</b>	<b>(9 003 832)</b>	<b>(1 334 363)</b>	<b>(4 261 870)</b>	<b>(7 372 142)</b>	<b>(11 917 544)</b>	<b>13 291 923</b>	<b>1 444 708</b>	<b>10 675 632</b>	<b>8 552 465</b>	<b>40 431 702</b>
Less: Government Grants and Subsidies - Capital	(347 826)	(3 564 427)	-	-	(625)	(2 576 186)	(1 318 630)	(3 548 427)	(7 318 474)	(7 605 005)	(26 279 599)
<b>NET OPERATING SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>40 008 900</b>	<b>(12 568 259)</b>	<b>(1 334 363)</b>	<b>(4 261 870)</b>	<b>(7 372 767)</b>	<b>(14 493 730)</b>	<b>11 973 293</b>	<b>(2 103 719)</b>	<b>3 357 159</b>	<b>947 460</b>	<b>14 152 103</b>
<b>CAPITAL EXPENDITURE FOR THE YEAR</b>	<b>1 376 550</b>	<b>3 602 940</b>	<b>71 604</b>	<b>-</b>	<b>3 411 692</b>	<b>1 604 228</b>	<b>4 362 570</b>	<b>6 387 607</b>	<b>7 848 245</b>	<b>12 996 681</b>	<b>41 662 116</b>

# CEDERBERG LOCAL MUNICIPALITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 68 SEGMENT REPORTING (CONTINUED)

#### 68.5 Specific Segment Reporting

2023

#### REVENUE

##### External Revenue from Non-Exchange Transactions

	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
Property Rates	70 382 140	-	-	-	-	-	-	-	-	-	70 382 140
Government Grants and Subsidies - Operating	57 779 513	5 058 963	-	-	849 237	1 318 881	2 076 061	2 614 167	3 646 974	667 916	74 011 713
Government Grants and Subsidies - Capital	-	14 535 663	-	-	16 213	9 355 679	-	1 435 155	-	-	25 342 709
Availability Charges	-	-	-	-	-	-	1 976 530	813 017	466 885	-	3 256 432
Insurance Refund	20 948	-	-	-	-	-	-	-	-	-	20 948
Fines, penalties and forfeits	12 876	2 435	-	10 006 065	-	-	113 363	9 657	425 465	-	10 569 862
Fair Value Adjustment Gains	7 346 104	-	-	-	-	-	-	-	-	722 376	8 068 480

##### External Revenue from Exchange Transactions

	13 236 767	170 471	2 892 663	3 798 361	1 608 295	-	108 628 229	29 819 962	13 950 410	14 408 436	188 513 594
Service Charges	-	-	-	-	-	-	108 628 229	29 819 962	13 950 410	14 385 226	166 783 827
Rental of Facilities and Equipment	578 524	168 582	-	-	-	-	-	-	-	-	747 106
Interest Earned - external investments	2 020 003	-	-	-	-	-	-	-	-	-	2 020 003
Interest Earned - outstanding debtors	9 776 434	-	-	-	-	-	-	-	-	-	9 776 434
Agency Services	-	-	-	3 782 284	-	-	-	-	-	-	3 782 284
Other Income	861 806	1 888	2 892 663	16 077	1 608 295	-	-	-	-	23 210	5 403 939

##### Construction Contracts

	-	14 076 138	-	-	-	-	20 665 406	-	-	-	34 741 544
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##### TOTAL REVENUE

#### EXPENDITURE

Employee Related Costs	46 467 281	15 090 937	4 001 794	11 516 659	8 291 764	6 239 511	7 458 668	11 682 672	4 981 603	9 363 422	125 094 311
Remuneration of Councillors	5 697 499	-	-	-	-	-	-	-	-	-	5 697 499
Debt Impairment	16 420 666	-	-	9 104 472	-	-	254 832	3 912 758	2 985 880	1 636 631	34 315 238
Depreciation and Amortisation	1 566 063	800 918	161 902	99 120	28 500	5 711 701	4 066 571	5 092 851	6 140 954	1 486 619	25 155 199
Impairment	-	-	-	-	-	-	-	25 182 218	-	-	25 182 218
Finance Charges	13 041 609	-	-	-	-	-	-	-	-	-	13 041 609
Bulk Purchases	-	-	-	-	-	-	92 503 879	944 402	-	-	93 448 281
Contracted Services	14 622 039	14 433 277	10 801	823 063	182 452	606 608	19 115 301	1 040 086	1 338 918	1 146 842	53 319 387
Transfers and Grants	727 711	-	-	-	-	-	-	-	-	-	727 711
Other Expenditure	16 612 403	843 233	285 550	1 019 056	185 854	997 795	2 588 303	5 233 435	3 195 305	2 339 558	33 300 492
Loss on disposal of Non-Monetary Assets	135 125	-	-	-	-	-	-	-	-	-	135 125

##### Total Expenditure

##### NET SURPLUS/(DEFICIT) FOR THE YEAR

Less: Government Grants and Subsidies - Capital

##### NET OPERATING SURPLUS/(DEFICIT) FOR THE YEAR

##### CAPITAL EXPENDITURE FOR THE YEAR

# CEDERBERG LOCAL MUNICIPALITY

## APPENDIX A (UNAUDITED)

### SCHEDULE OF EXTERNAL LOANS FOR THE YEAR ENDING 30 JUNE 2024

INSTITUTION	LOAN NUMBER	RATE	MATURITY DATE	OPENING BALANCE 1 JULY 2023	RECEIVED DURING YEAR	REDEEMED DURING YEAR	CLOSING BALANCE 30 JUNE 2024
<b><u>ANNUITY LOANS</u></b>							
ABSA	038-723-0992	9.84%	1 April 2025	853 792	-	(405 264)	448 528
ABSA	038-723-0993	10.43%	17 June 2025	1 451 695	-	(687 563)	764 131
ABSA	038-723-0994	10.45%	17 Nov 2025	714 845	-	(262 860)	451 984
ABSA	038-723-0995	11.33%	30 Jun 2026	851 543	-	(252 861)	598 682
<b>Total Annuity Loans</b>				<b>3 871 874</b>	-	<b>(1 608 548)</b>	<b>2 263 326</b>
<b><u>FINANCE LEASE LIABILITIES - PRINTERS</u></b>							
Printers and Copiers			31 Dec 2024	513 300	-	(332 077)	181 223
<b>Total Finance Lease Liabilities - Printers</b>				<b>513 300</b>	-	<b>(332 077)</b>	<b>181 223</b>
<b>Total Long-Term Liabilities</b>				<b>4 385 174</b>	-	<b>(1 940 625)</b>	<b>2 444 549</b>

# CEDERBERG LOCAL MUNICIPALITY

## APPENDIX B (UNAUDITED)

### DISCLOSURE OF GRANTS AND SUBSIDIES FOR THE YEAR ENDING 30 JUNE 2024

	OPENING BALANCE R	GRANTS RECEIVED R	GRANTS REPAID R	TRANSFERRED TO REVENUE (OPERATING) R	TRANSFERRED TO REVENUE (CAPITAL) R	TRANSFERRED TO/(FROM) RECEIVABLES R	CLOSING BALANCE R
<b>NATIONAL GOVERNMENT</b>							
Equitable Share	-	67 058 000	-	(67 058 000)	-	-	-
Municipal Infrastructure Grant (MIG)	1 665 284	16 698 999	(2 739 284)	(2 910 926)	(13 412 519)	698 447	-
Financial Management Grant (FMG)	49 411	2 132 000	(49 411)	(2 132 000)	-	-	-
Expanded Public Works Program (EPWP)	-	1 658 000	-	(1 658 000)	-	-	-
Water Service Infrastructure Grant (WSIG)	686 894	4 500 000	(686 894)	(550 654)	(3 913 043)	-	36 302
Regional Bulk Infrastructure Grant (RBIG)	509 637	-	(509 637)	-	-	-	-
Municipal Disaster Response Grant	-	7 805 000	-	(41 249)	(274 995)	-	7 488 755
<b>Total</b>	<b>2 911 226</b>	<b>99 851 999</b>	<b>(3 985 226)</b>	<b>(74 350 830)</b>	<b>(17 600 558)</b>	<b>698 447</b>	<b>7 525 057</b>
<b>PROVINCIAL GOVERNMENT</b>							
Library Services MRF	-	5 539 131	-	(4 902 893)	(10 021)	-	626 217
CDW Support	115 912	150 999	-	(9 929)	-	-	256 982
Thusong Service Centre Grant	1 068	120 000	(1 068)	(1 068)	-	-	118 932
Municipal Library Support Grant	189 284	-	(189 284)	-	-	-	-
Financial Management Capability Grant	5 070	1 058 327	(5 070)	(499 476)	-	-	558 851
Municipal Interventions Grant	591 967	400 000	-	(252 837)	(739 130)	-	-
Municipal Water Resilience Grant	3 000 000	5 000 000	-	(519 875)	(3 548 427)	-	3 931 698
Loadshedding Relief Grant	1 600 000	-	-	(197 795)	(1 318 630)	-	83 576
Informal Settlements Upgrading Partnership Grant (ISUPG)	-	3 062 833	-	-	(3 062 833)	-	-
Municipal Energy Resilience Grant	-	500 000	-	(499 905)	-	-	95
Municipal Service Delivery and Capacity Building Grant	-	300 000	-	(300 000)	-	-	-
Municipal Financial Recovery Services	-	1 000 000	-	-	-	-	1 000 000
<b>Total</b>	<b>5 503 301</b>	<b>17 131 289</b>	<b>(195 422)</b>	<b>(7 183 776)</b>	<b>(8 679 041)</b>	<b>-</b>	<b>6 576 351</b>
<b>ALL SPHERES OF GOVERNMENT</b>	<b>8 414 527</b>	<b>116 983 288</b>	<b>(4 180 648)</b>	<b>(81 534 606)</b>	<b>(26 279 599)</b>	<b>698 447</b>	<b>14 101 408</b>

# CEDERBERG LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATED OUTCOME 2023 R
<b>FINANCIAL PERFORMANCE</b>						
Property rates	73 339 000	537 000	73 876 000	73 692 932	(183 068)	70 382 140
Service charges	171 975 995	8 538 005	180 514 000	190 638 712	10 124 712	169 227 242
Investment revenue	1 269 358	3 522 683	4 792 041	5 190 675	398 634	2 020 003
Transfers and subsidies - operational	89 549 377	36 092 099	125 641 476	115 293 997	(10 347 479)	108 753 257
Other own revenue	35 568 356	40 933 730	76 502 086	69 154 739	(7 347 347)	39 182 070
<b>Total Operating Revenue (excluding capital transfers)</b>	<b>371 702 086</b>	<b>89 623 517</b>	<b>461 325 603</b>	<b>453 971 055</b>	<b>(7 354 548)</b>	<b>389 564 712</b>
Employee costs	144 683 374	(8 553 055)	136 130 319	130 819 444	(5 310 875)	124 487 720
Remuneration of councillors	6 138 858	53 142	6 192 000	6 081 304	(110 696)	5 697 499
Depreciation & asset impairment	59 856 000	39 962 000	99 818 000	92 590 880	(7 227 120)	84 652 656
Interest	15 789 000	(783 000)	15 006 000	14 961 296	(44 704)	13 041 609
Inventory consumed and bulk purchases	107 414 467	9 967 287	117 381 754	116 429 914	(951 840)	103 231 879
Transfers and subsidies	30 000	193 278	223 278	198 026	(25 252)	727 711
Other expenditure	60 888 537	44 053 343	104 941 880	84 288 317	(20 653 563)	77 577 995
<b>Total Expenditure</b>	<b>394 800 236</b>	<b>84 892 995</b>	<b>479 693 231</b>	<b>445 369 180</b>	<b>(34 324 051)</b>	<b>409 417 069</b>
<b>Surplus/(Deficit)</b>	<b>(23 098 150)</b>	<b>4 730 522</b>	<b>(18 367 628)</b>	<b>8 601 874</b>	<b>26 969 502</b>	<b>(19 852 357)</b>
Transfers and subsidies - capital (monetary allocations)	71 079 623	(33 660 521)	37 419 102	26 279 599	(11 139 503)	25 342 709
Transfers and subsidies - capital (in-kind - all)	-	5 550 239	5 550 239	5 550 229	(10)	-
<b>Surplus/(Deficit) for the year</b>	<b>47 981 473</b>	<b>(23 379 760)</b>	<b>24 601 713</b>	<b>40 431 702</b>	<b>15 829 989</b>	<b>5 490 352</b>
<b>CAPITAL EXPENDITURE &amp; FUNDS SOURCES</b>						
<b>Capital expenditure</b>	<b>85 994 625</b>	<b>(32 330 322)</b>	<b>53 664 303</b>	<b>41 662 116</b>	<b>(12 002 187)</b>	<b>30 252 751</b>
Transfers recognised - capital	71 079 625	(33 660 522)	37 419 103	26 279 599	(11 139 504)	25 342 709
Borrowing	-	-	-	-	-	-
Internally generated funds	14 915 000	1 330 200	16 245 200	15 382 517	(862 683)	4 910 042
<b>Total sources of capital funds</b>	<b>85 994 625</b>	<b>(32 330 322)</b>	<b>53 664 303</b>	<b>41 662 116</b>	<b>(12 002 187)</b>	<b>30 252 751</b>
<b>CASH FLOWS</b>						
Net cash from (used) operating	86 434 364	(60 380 418)	26 053 947	80 491 381	54 437 435	51 191 165
Net cash from (used) investing	(83 494 625)	31 830 322	(51 664 303)	(46 272 819)	5 391 484	(30 758 793)
Net cash from (used) financing	(1 735 107)	14 455	(1 720 652)	(1 737 896)	(17 244)	(3 469 964)
Net Cash Movement for the year	1 204 632	(28 535 641)	(27 331 009)	32 480 666	59 811 675	16 962 409
Cash/cash equivalents at beginning of year	28 188	28 749 361	28 777 549	28 777 549	-	11 815 140
<b>Cash/cash equivalents at the year end</b>	<b>1 232 820</b>	<b>213 720</b>	<b>1 446 541</b>	<b>61 258 215</b>	<b>59 811 675</b>	<b>28 777 549</b>



# CEDERBERG LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATED OUTCOME 2023 R
<b>REVENUE (STANDARD CLASSIFICATION)</b>						
<b>Governance and administration</b>						
Executive and council	53 413 000	325 000	53 738 000	53 691 026	(46 974)	52 761 429
Finance and administration	95 129 759	22 295 437	117 425 196	110 415 478	(7 009 718)	96 016 919
Internal audit	-	-	-	-	-	-
<b>Community and public safety</b>						
Community and social services	9 536 084	(33 223)	9 502 861	7 919 819	(1 583 042)	6 361 946
Sport and recreation	2 838 963	992 027	3 830 990	3 030 880	(800 110)	2 960 102
Public safety	11 486 897	22 678 460	34 165 357	32 537 319	(1 628 038)	10 009 952
Housing	6 224 000	4 775 000	10 999 000	4 819 224	(6 179 776)	27 426 475
<b>Economic and environmental services</b>						
Planning and development	2 418 551	(155 021)	2 263 530	2 513 483	249 953	2 473 745
Road transport	9 519 788	(706 978)	8 812 810	7 299 375	(1 513 435)	14 456 845
<b>Trading services</b>						
Energy sources	148 914 995	16 458 005	165 373 000	166 072 251	699 251	133 459 589
Water management	53 300 000	(9 875 300)	43 424 700	40 835 100	(2 589 600)	34 691 958
Waste water management	33 807 672	(3 788 674)	30 018 998	30 273 525	254 527	18 489 734
Waste management	16 192 000	8 548 502	24 740 502	26 393 403	1 652 901	15 798 729
<b>Total Revenue - Standard</b>	<b>442 781 709</b>	<b>61 513 235</b>	<b>504 294 944</b>	<b>485 800 883</b>	<b>(18 494 061)</b>	<b>414 907 421</b>
<b>EXPENDITURE (STANDARD CLASSIFICATION)</b>						
<b>Governance and administration</b>						
Executive and council	14 473 878	(18 944)	14 454 934	13 539 201	(915 733)	11 790 483
Finance and administration	104 465 757	14 093 857	118 559 614	107 178 091	(11 381 523)	100 985 191
Internal audit	1 206 734	(13 907)	1 192 827	1 114 692	(78 135)	1 043 531
<b>Community and public safety</b>						
Community and social services	13 365 692	(894 786)	12 470 906	9 409 465	(3 061 441)	8 850 086
Sport and recreation	13 740 834	(32 860)	13 707 974	12 695 151	(1 012 823)	12 033 963
Public safety	22 079 705	22 043 412	44 123 117	39 157 762	(4 965 355)	18 803 564
Housing	3 631 275	5 679 820	9 311 095	4 173 923	(5 137 172)	16 617 092
<b>Economic and environmental services</b>						
Planning and development	12 464 619	(383 936)	12 080 683	11 803 419	(277 264)	10 159 760
Road transport	16 276 945	(71 711)	16 205 234	15 356 001	(849 233)	13 997 444
<b>Trading services</b>						
Energy sources	121 432 264	30 373 314	151 805 578	152 780 328	974 750	125 987 554
Water management	33 566 147	12 566 863	46 133 010	39 390 392	(6 742 618)	53 088 422
Waste water management	21 187 827	448 376	21 636 203	20 929 816	(706 387)	20 086 908
Waste management	16 908 559	1 103 497	18 012 056	17 840 938	(171 118)	15 973 072
<b>Total Expenditure - Standard</b>	<b>394 800 236</b>	<b>84 892 995</b>	<b>479 693 231</b>	<b>445 369 180</b>	<b>(34 324 051)</b>	<b>409 417 069</b>
<b>Surplus/(Deficit) for the year</b>	<b>47 981 473</b>	<b>(23 379 760)</b>	<b>24 601 713</b>	<b>40 431 702</b>	<b>15 829 989</b>	<b>5 490 352</b>

# CEDERBERG LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATED OUTCOME 2023 R
<b>REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)</b>						
<b>REVENUE</b>						
Vote 1 - Executive and Council	53 413 000	25 000	53 438 000	53 391 026	(46 974)	52 761 429
Vote 2 - Office of Municipal Manager	-	300 000	300 000	300 000	-	-
Vote 3 - Financial Administrative Services	92 287 295	20 092 230	112 379 525	107 076 151	(5 303 374)	93 105 493
Vote 4 - Community Development Services	11 910 504	(2 451 948)	9 458 556	8 034 301	(1 424 255)	8 298 950
Vote 5 - Corporate and Strategic Services	459 620	2 176 287	2 635 907	783 596	(1 852 311)	804 199
Vote 6 - Planning and Development Services	2 418 551	(13 054)	2 405 497	2 655 450	249 953	2 631 778
Vote 7 - Public Safety	15 336 646	25 511 233	40 847 879	39 136 302	(1 711 577)	13 804 426
Vote 8 - Electricity	148 914 995	16 458 005	165 373 000	166 072 251	699 251	133 459 589
Vote 9 - Waste Management	16 192 000	8 548 502	24 740 502	26 393 403	1 652 901	15 798 729
Vote 10 - Waste Water Management	33 807 672	(3 788 674)	30 018 998	30 273 525	254 527	18 489 734
Vote 11 - Water	53 300 000	(9 875 300)	43 424 700	40 835 100	(2 589 600)	34 691 958
Vote 12 - Housing	6 224 000	4 775 000	10 999 000	4 819 224	(6 179 776)	27 426 475
Vote 13 - Road Transport	5 678 463	(1 236 073)	4 442 390	2 999 674	(1 442 716)	10 674 560
Vote 14 - Sports and Recreation	2 838 963	992 027	3 830 990	3 030 880	(800 110)	2 960 102
<b>Total Revenue by Vote</b>	<b>442 781 709</b>	<b>61 513 235</b>	<b>504 294 944</b>	<b>485 800 883</b>	<b>(18 494 061)</b>	<b>414 907 421</b>
<b>EXPENDITURE</b>						
Vote 1 - Executive and Council	9 114 332	126 140	9 240 472	8 750 476	(489 996)	8 170 929
Vote 2 - Office of Municipal Manager	18 409 690	(1 060 805)	17 348 885	16 226 265	(1 122 620)	13 730 062
Vote 3 - Financial Administrative Services	65 640 668	17 188 645	82 829 313	72 238 253	(10 591 060)	66 719 802
Vote 4 - Community Development Services	11 383 744	224 914	11 608 658	10 582 946	(1 025 712)	10 431 260
Vote 5 - Corporate and Strategic Services	25 111 369	(3 168 893)	21 942 476	21 687 533	(254 943)	23 332 371
Vote 6 - Planning and Development Services	11 223 863	163 277	11 387 140	11 089 691	(297 449)	8 571 898
Vote 7 - Public Safety	29 184 979	21 124 383	50 309 362	43 398 173	(6 911 189)	22 562 370
Vote 8 - Electricity	121 432 264	30 373 314	151 805 578	152 780 328	974 750	125 987 554
Vote 9 - Waste Management	16 908 559	1 103 497	18 012 056	17 840 938	(171 118)	15 973 072
Vote 10 - Waste Water Management	19 538 714	659 068	20 197 782	19 597 893	(599 889)	18 642 659
Vote 11 - Water	33 566 147	12 566 863	46 133 010	39 390 392	(6 742 618)	53 088 422
Vote 12 - Housing	3 631 275	5 679 820	9 311 095	4 173 923	(5 137 172)	16 617 092
Vote 13 - Road Transport	15 913 798	(54 368)	15 859 430	14 917 218	(942 212)	13 555 615
Vote 14 - Sports and Recreation	13 740 834	(32 860)	13 707 974	12 695 151	(1 012 823)	12 033 963
<b>Total Expenditure by Vote</b>	<b>394 800 236</b>	<b>84 892 995</b>	<b>479 693 231</b>	<b>445 369 180</b>	<b>(34 324 051)</b>	<b>409 417 069</b>
<b>Surplus/(Deficit) for the year</b>	<b>47 981 473</b>	<b>(23 379 760)</b>	<b>24 601 713</b>	<b>40 431 702</b>	<b>15 829 989</b>	<b>5 490 352</b>

# CEDERBERG LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATED OUTCOME 2023 R
<b>REVENUE AND EXPENDITURE</b>						
<b>REVENUE BY SOURCE</b>						
<b>Exchange Revenue</b>						
Service charges - Electricity	110 745 995	11 835 005	122 581 000	127 401 381	4 820 381	110 604 759
Service charges - Water	31 298 000	(325 000)	30 973 000	32 780 700	1 807 700	29 819 962
Service charges - Waste Water Management	14 660 000	(457 000)	14 203 000	16 350 614	2 147 614	14 417 295
Service charges - Waste Management	15 272 000	(2 515 000)	12 757 000	14 106 018	1 349 018	14 385 226
Sale of Goods and Rendering of Services	4 240 314	984 609	5 224 923	4 559 879	(665 044)	4 443 358
Agency services	3 841 325	529 095	4 370 420	4 299 701	(70 719)	3 782 284
Interest Earned from Receivables (Exchange)	10 875 582	(4 328 582)	6 547 000	8 117 192	1 570 192	9 776 434
Interest Earned from Current and Non Current Assets	1 269 358	3 522 683	4 792 041	5 190 675	398 634	2 020 003
Rental from Fixed Assets	941 152	(117 225)	823 927	969 797	145 870	747 106
Licences and Permits	-	12 000	12 000	11 059	(941)	2 472
Operational Revenue (Exchange)	703 993	86 388	790 381	846 009	55 628	945 971
<b>Non-Exchange Revenue</b>						
Property Rates	73 339 000	537 000	73 876 000	73 692 932	(183 068)	70 382 140
Surcharges and Taxes	1 000	-	1 000	-	(1 000)	33 087
Fines, Penalties and Forfeits	11 554 990	22 718 445	34 273 435	32 934 099	(1 339 336)	10 569 862
Transfers and Subsidies - Operational	89 549 377	36 092 099	125 641 476	115 293 997	(10 347 479)	108 753 257
Interest Earned from Receivables (Non-Exchange)	-	4 212 000	4 212 000	4 207 894	(4 106)	-
Operational Revenue (Non-Exchange)	-	3 644 000	3 644 000	3 629 486	(14 514)	813 017
Gains on Disposal of Assets	2 500 000	(500 000)	2 000 000	-	(2 000 000)	-
Other Gains	910 000	13 693 000	14 603 000	9 579 622	(5 023 378)	8 068 480
<b>Total Revenue (excl capital transfers)</b>	<b>371 702 086</b>	<b>89 623 517</b>	<b>461 325 603</b>	<b>453 971 055</b>	<b>(7 354 548)</b>	<b>389 564 712</b>
<b>EXPENDITURE BY TYPE</b>						
Employee Related Costs	144 683 374	(8 553 055)	136 130 319	130 819 444	(5 310 875)	124 487 720
Remuneration of Councillors	6 138 858	53 142	6 192 000	6 081 304	(110 696)	5 697 499
Bulk Purchases - Electricity	95 123 000	7 542 000	102 665 000	105 502 654	2 837 654	92 503 879
Inventory Consumed	12 291 467	2 425 287	14 716 754	10 927 259	(3 789 495)	10 728 000
Debt Impairment	30 239 000	25 973 000	56 212 000	50 383 603	(5 828 397)	34 315 238
Depreciation and Amortisation	29 617 000	13 989 000	43 606 000	42 207 276	(1 398 724)	50 337 417
Interest	15 789 000	(783 000)	15 006 000	14 961 296	(44 704)	13 041 609
Contracted Services	33 650 973	33 860 658	67 511 631	56 826 535	(10 685 096)	53 319 387
Transfers and Subsidies	30 000	193 278	223 278	198 026	(25 252)	727 711
Operational Costs	26 327 564	3 742 685	30 070 249	26 795 954	(3 274 295)	24 123 484
Losses on Disposal of Assets	-	-	-	665 827	665 827	135 125
Other Losses	910 000	6 450 000	7 360 000	-	(7 360 000)	-
<b>Total Expenditure</b>	<b>394 800 236</b>	<b>84 892 995</b>	<b>479 693 231</b>	<b>445 369 180</b>	<b>(34 324 051)</b>	<b>409 417 069</b>
<b>Surplus/(Deficit)</b>	<b>(23 098 150)</b>	<b>4 730 522</b>	<b>(18 367 628)</b>	<b>8 601 874</b>	<b>26 969 502</b>	<b>(19 852 357)</b>
Transfers and Subsidies - Capital (monetary allocations)	71 079 623	(33 660 521)	37 419 102	26 279 599	(11 139 503)	25 342 709
Transfers and Subsidies - Capital (in-kind)	-	5 550 239	5 550 239	5 550 229	(10)	-
<b>Surplus/(Deficit) for the year</b>	<b>47 981 473</b>	<b>(23 379 760)</b>	<b>24 601 713</b>	<b>40 431 702</b>	<b>15 829 989</b>	<b>5 490 352</b>

# CEDERBERG LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATED OUTCOME 2023 R
<b>CAPITAL EXPENDITURE</b>						
<b>CAPITAL EXPENDITURE (MUNICIPAL VOTE)</b>						
<b>Multi-year expenditure</b>						
Vote 1 - Executive and Council	-	-	-	-	-	-
Vote 2 - Office of Municipal Manager	-	-	-	-	-	-
Vote 3 - Financial Administrative Services	-	-	-	-	-	-
Vote 4 - Community Development Services	-	-	-	-	-	-
Vote 5 - Corporate and Strategic Services	-	-	-	-	-	-
Vote 6 - Planning and Development Services	4 937 547	(2 422 426)	2 515 121	2 184 882	(330 239)	9 355 679
Vote 7 - Public Safety	-	-	-	-	-	-
Vote 8 - Electricity	1 800 000	(1 800 000)	-	-	-	-
Vote 9 - Waste Management	-	-	-	-	-	-
Vote 10 - Waste Water Management	-	-	-	-	-	-
Vote 11 - Water	13 176 522	(13 176 522)	-	-	-	730 707
Vote 12 - Housing	5 731 000	(3 918 000)	1 813 000	999 833	(813 167)	13 213 773
Vote 13 - Road Transport	-	-	-	-	-	-
Vote 14 - Sports and Recreation	-	-	-	-	-	-
<b>Total Multi-year expenditure</b>	<b>25 645 069</b>	<b>(21 316 948)</b>	<b>4 328 121</b>	<b>3 184 715</b>	<b>(1 143 406)</b>	<b>23 300 159</b>
<b>Single-year expenditure</b>						
Vote 1 - Executive and Council	-	-	-	-	-	-
Vote 2 - Office of Municipal Manager	-	-	-	-	-	-
Vote 3 - Financial Administrative Services	-	125 000	125 000	115 410	(9 590)	225 466
Vote 4 - Community Development Services	2 575 709	(2 032 536)	543 173	540 107	(3 066)	1 204 489
Vote 5 - Corporate and Strategic Services	1 165 000	347 826	1 512 826	1 261 140	(251 686)	239 285
Vote 6 - Planning and Development Services	-	1 233 625	1 233 625	1 226 810	(6 815)	16 213
Vote 7 - Public Safety	-	40 000	40 000	-	(40 000)	-
Vote 8 - Electricity	37 690 870	(29 800 131)	7 890 739	4 362 570	(3 528 169)	3 600 179
Vote 9 - Waste Management	5 000 000	7 997 330	12 997 330	12 996 681	(649)	3 198
Vote 10 - Waste Water Management	12 617 977	(2 620 746)	9 997 231	7 848 245	(2 148 986)	261 830
Vote 11 - Water	700 000	9 567 290	10 267 290	6 387 607	(3 879 683)	1 241 401
Vote 12 - Housing	-	2 063 000	2 063 000	2 063 000	-	117 400
Vote 13 - Road Transport	600 000	1 966 368	2 566 368	1 604 228	(962 140)	43 130
Vote 14 - Sports and Recreation	-	99 600	99 600	71 604	(27 996)	-
<b>Total Single-year expenditure</b>	<b>60 349 556</b>	<b>(11 013 374)</b>	<b>49 336 182</b>	<b>38 477 401</b>	<b>(10 858 781)</b>	<b>6 952 592</b>
<b>Total Capital Expenditure by Vote</b>	<b>85 994 625</b>	<b>(32 330 322)</b>	<b>53 664 303</b>	<b>41 662 116</b>	<b>(12 002 187)</b>	<b>30 252 751</b>

# CEDERBERG LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATED OUTCOME 2023 R
<b>CAPITAL EXPENDITURE (CONTINUED)</b>						
<b>CAPITAL EXPENDITURE (STANDARD CLASSIFICATION)</b>						
<b>Governance and administration</b>						
Executive and council	-	-	-	-	-	-
Finance and administration	1 165 000	472 826	1 637 826	1 376 550	(261 276)	464 751
Internal audit	-	-	-	-	-	-
<b>Community and public safety</b>						
Community and social services	2 575 709	(2 032 536)	543 173	540 107	(3 066)	1 204 489
Sport and recreation	-	99 600	99 600	71 604	(27 996)	-
Public safety	-	40 000	40 000	-	(40 000)	-
Housing	5 731 000	(1 855 000)	3 876 000	3 062 833	(813 167)	13 331 173
<b>Economic and environmental services</b>						
Planning and development	4 937 547	(1 188 801)	3 748 746	3 411 692	(337 054)	9 371 892
Road transport	600 000	1 966 368	2 566 368	1 604 228	(962 140)	43 130
<b>Trading services</b>						
Energy sources	39 490 870	(31 600 131)	7 890 739	4 362 570	(3 528 169)	3 600 179
Water management	13 876 522	(3 609 232)	10 267 290	6 387 607	(3 879 683)	1 972 108
Waste water management	12 617 977	(2 620 746)	9 997 231	7 848 245	(2 148 986)	261 830
Waste management	5 000 000	7 997 330	12 997 330	12 996 681	(649)	3 198
<b>Total Capital Expenditure - Standard</b>	<b>85 994 625</b>	<b>(32 330 322)</b>	<b>53 664 303</b>	<b>41 662 116</b>	<b>(12 002 187)</b>	<b>30 252 751</b>
<b>FUNDING SOURCES</b>						
National Government	65 348 625	(40 905 478)	24 443 147	17 600 558	(6 842 589)	12 123 548
Provincial Government	5 731 000	7 244 956	12 975 956	8 679 041	(4 296 915)	13 219 161
District Municipality	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>71 079 625</b>	<b>(33 660 522)</b>	<b>37 419 103</b>	<b>26 279 599</b>	<b>(11 139 504)</b>	<b>25 342 709</b>
Borrowing	-	-	-	-	-	-
Internally generated funds	14 915 000	1 330 200	16 245 200	15 382 517	(862 683)	4 910 042
<b>Total Capital Funding</b>	<b>85 994 625</b>	<b>(32 330 322)</b>	<b>53 664 303</b>	<b>41 662 116</b>	<b>(12 002 187)</b>	<b>30 252 751</b>

# CEDERBERG LOCAL MUNICIPALITY

## APPENDIX C (UNAUDITED)

### NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDING 30 JUNE 2024

	ORIGINAL BUDGET 2024 R	BUDGET ADJUSTMENTS 2024 R	FINAL BUDGET 2024 R	ACTUAL OUTCOME 2024 R	BUDGET VARIANCE 2024 R	RESTATED OUTCOME 2023 R
<b>CASH FLOWS</b>						
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
<b>Receipts</b>						
Property rates	70 434 776	(2 937 467)	67 497 309	66 481 290	(1 016 018)	63 297 610
Service charges	158 524 572	17 692 200	176 216 772	177 380 685	1 163 913	161 342 718
Other revenue	11 042 774	3 071 312	14 114 086	15 221 286	1 107 200	12 386 272
Transfers and Subsidies - Operational	89 549 377	34 053 243	123 602 620	124 110 302	507 681	112 771 808
Transfers and Subsidies - Capital	71 079 623	(42 634 790)	28 444 833	26 279 599	(2 165 233)	25 342 709
Interest	8 010 479	509 079	8 519 558	8 494 207	(25 350)	5 318 583
<b>Payments</b>						
Suppliers and employees	(316 673 236)	(73 770 717)	(390 443 953)	(336 780 564)	53 663 389	(324 633 892)
Finance charges	(5 504 000)	3 830 000	(1 674 000)	(497 399)	1 176 601	(3 906 932)
Transfers and Subsidies	(30 000)	(193 278)	(223 278)	(198 026)	25 252	(727 711)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>86 434 364</b>	<b>(60 380 418)</b>	<b>26 053 947</b>	<b>80 491 381</b>	<b>54 437 435</b>	<b>51 191 165</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<b>Receipts</b>						
Proceeds on disposal of PPE	2 500 000	(500 000)	2 000 000	697 217	(1 302 783)	69 989
<b>Payments</b>		-				
Capital assets	(85 994 625)	32 330 322	(53 664 303)	(46 970 037)	6 694 266	(30 828 782)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(83 494 625)</b>	<b>31 830 322</b>	<b>(51 664 303)</b>	<b>(46 272 819)</b>	<b>5 391 484</b>	<b>(30 758 793)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
<b>Receipts</b>						
Increase (decrease) in consumer deposits	221 372	-	221 372	202 729	(18 643)	255 636
<b>Payments</b>						
Repayment of borrowing	(1 956 479)	14 455	(1 942 024)	(1 940 625)	1 399	(3 725 600)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(1 735 107)</b>	<b>14 455</b>	<b>(1 720 652)</b>	<b>(1 737 896)</b>	<b>(17 244)</b>	<b>(3 469 964)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>1 204 632</b>	<b>(28 535 641)</b>	<b>(27 331 009)</b>	<b>32 480 666</b>	<b>59 811 675</b>	<b>16 962 409</b>
Cash/cash equivalents at the year begin:	28 188	28 749 361	28 777 549	28 777 549	-	11 815 140
Cash/cash equivalents at the year end:	1 232 820	213 720	1 446 541	61 258 215	59 811 675	28 777 549

## 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 the Cederberg Municipality set out on pages 4 to 96, which comprise the statement of financial position as at 30 June 2024, 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 2024 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act, 56 of 2003 (MFMA) and the Division of Revenue Act, 5 of 2023 (Dora).

### Basis for opinion

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

### Emphasis of matters

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

### Material impairments

7. As disclosed in note 3 to the financial statements, the municipality provided for the impairment of receivables from exchange transactions of R68 460 242 (2022-23: R69 626 763).
8. As disclosed in note 4 to the financial statements, the municipality provided for the impairment of receivables from non-exchange transactions of R69 930 648 (2022-23: R54 567 760)



9. As disclosed in note 11 to the financial statements, the municipality provided for an accumulated impairment of infrastructure assets of R52 472 844 (2022-23: R36 832 937). This relates to the Lamberts bay desalination plant needing to be refurbished as it is taking longer to complete due to geotechnical challenges experienced in completing the marine outfall phase of the project.

#### **Restatement of corresponding figures**

10. As disclosed in note 46 to the financial statements, the corresponding figures for 30 June 2023 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2024.

#### **Irregular Expenditure**

11. As disclosed in note 51.2 to the financial statements, the municipality incurred irregular expenditure of R16 603 924, as a result of non-compliance with procurement laws and regulations.

#### **Other matters**

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

#### **Unaudited disclosure notes**

13. In terms of section 125(2)(e) of the MFMA, the particulars of non-compliance with the MFMA should be disclosed in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

#### **Unaudited supplementary schedules**

14. The supplementary information set out on pages 97 to 105 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**

15. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with GRAP and the requirements of the MFMA and Dora; and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
16. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

## **Responsibilities of the auditor-general for the audit of the financial statements**

17. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
18. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 10, forms part of our auditor's report.

### **Report on the annual performance report**

19. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
20. I selected the following material performance indicators related to strategic objective 1: Improve and sustain basic service delivery and infrastructure development presented in the annual performance report for the year ended 30 June 2024. I selected those indicators that measure the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.
- TL 24 Number of 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 2024
  - TL 25 Number of residential properties with electricity which are connected to the municipal electrical infrastructure network (credit and prepaid electrical metering) (Excluding Eskom areas) and billed for the service as at 30 June 2024
  - TL 26 Number of residential properties with sanitation services which are connected to the municipal wastewater (sanitation/sewerage) network and are billed for sewerage service, irrespective of the number of water closets (toilets) and are billed for the service as at 30 June 2024
  - TL 27 Number of residential properties for which refuse is removed once per week and billed for the service as at 30 June 2024
  - TL 28 Provide free basic water to indigent households as per the requirements in the indigent policy as at 30 June 2024
  - TL 29 Provide free basic electricity to indigent households as per the requirements in the indigent policy as at 30 June 2024
  - TL 30 Provide free basic sanitation to indigent households as per the requirements in the indigent policy as at 30 June 2024

- TL 31 Provide free basic refuse removal to indigent households as per the requirements in the indigent policy as at 30 June 2024
- TL 32 The percentage of the municipal capital budget actually spent on capital projects as at 30 June 2024 [ (Actual amount spent on capital projects/Total amount budgeted for capital projects) X100]
- TL 35 Spend 90% of the approved maintenance budget for technical services (Water, Wastewater, Electricity, Roads and Stormwater) by 30 June 2024 [(Actual expenditure on maintenance/total approved maintenance budget) x100]
- TL 37 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]
- TL 38 Limit unaccounted for water to less than 15% by 30 June 2024 [(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold (incl free basic water) / Number of Kilolitres Water Purchased or Purified x 100]
- TL 39 Limit unaccounted for electricity losses to less than 23% by 30 June 2024 [(Number of Electricity Units Purchased and / or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and / or generated) × 100]

21. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.

22. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for measures taken to improve performance.

23. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.



24. The material findings on the reported performance information for the selected material indicators are as follows:

#### Various indicators

25. Based on evidence, the actual achievements for the basic service delivery indicators did not agree to what was reported. I could not determine the actual achievements, but I estimated them to be materially less. Consequently, the underachievement on the targets is likely to be more than reported and/ or it is likely that the achievement against the target was lower than reported.

Indicator	Target	Reported achievement
TL 25 Number of 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 2024	8 492	8 558
TL 26 Number of 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 2024	5 154	5 032
TL 27 Number of residential properties for which refuse is removed once per week and billed for the service as at 30 June 2024	6 003	5 784
TL 28 Provide free basic water to indigent households as per the requirements in the indigent policy as at 30 June 2024	1 675	1 320
TL 29 Provide free basic electricity to indigent households as per the requirements in the indigent policy as at 30 June 2024	1 565	1 223

#### Other matter

26. I draw attention to the matter below.

#### Achievement of planned targets

27. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance. This information should be considered in the context of the material findings on the reported performance information.

28. The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for measures taken to improve performance are included in the annual performance report on pages 11 to 15.

## Strategic objective 1: improve and sustain basic service delivery and infrastructure development

<i>Targets achieved: 69%</i> <i>Budget spent: 94%</i>		
Key indicator not achieved	Planned target	Reported achievement
TL 24 Number of 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 2024	6 011	5 504
TL 26 Number of residential properties with sanitation services which are connected to the municipal waste water (sanitation/sewerage) network and are billed for sewerage service, irrespective of the number of water closets (toilets) as at 30 June 2024	5 154	5 032
TL 27 Number of residential properties for which refuse is removed once per week and billed for the service as at 30 June 2024	6 003	5 784
TL 28 Provide free basic water to indigent households as per the requirements in the indigent policy as at 30 June 2024	1 675	1 320
TL 29 Provide free basic electricity to indigent households as per the requirements in the indigent policy as at 30 June 2024	1 565	1 223
TL 30 Provide free basic sanitation to indigent households as per the requirements in the indigent policy as at 30 June 2024	1 640	1 305
TL 31 Provide free basic refuse removal to indigent households as per the requirements in the indigent policy as at 30 June 2024	1 673	1 318
TL 32 The percentage of the municipal capital budget actually spent on capital projects as at 30 June 2024 (Actual amount spent on capital projects/Total amount budgeted for capital projects) X100	90%	77,63%
TL 35 Spend 90% of the approved maintenance budget spent for technical services (Water, Wastewater, Electricity, Roads and Stormwater) by 30 June 2024 [(Actual expenditure on maintenance/total approved maintenance budget) x100]	90%	80,48%
TL 37 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}	95%	90%
TL 38 Limit unaccounted for water to less than 15% by 30 June 2024 {(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold (incl free basic water) / Number of Kilolitres Water Purchased or Purified x 100}	15%	30.91%

## Material misstatements

29. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for Strategic objective 1- improve and sustain basic service delivery and infrastructure development.



Management did not correct all of the misstatements and I reported material findings in this regard.

### **Report on compliance with legislation**

30. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.
31. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
32. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
33. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

#### **HR management**

34. Financial interests were not disclosed by the senior managers within 60 days from date of appointment, as required by regulation 36(1)(a) on appointment and conditions of employment of senior managers.

#### **Expenditure Management**

35. Reasonable steps were not taken to prevent irregular expenditure amounting to R16 603 924 as disclosed in note 51.2 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by the municipality not following a competitive bidding process to appoint a service provider for the implementation of housing projects. Irregular expenditure amounting to R4 819 224 were incurred on these housing projects

#### **Procurement and contract management**

36. Some of the goods and services within the prescribed transaction values for formal written price quotations were procured without obtaining the required price quotations, in contravention of by SCM Regulation 17(1)(a) and (c). Similar non-compliance was also reported in the prior year.

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

37. The financial statements submitted for auditing were not fully prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA.

38. Material misstatements of revenue from service charges and the debt impairment disclosure note, identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

#### Other information in the annual report

39. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in strategic objective presented in the annual performance report that have been specifically reported on in this auditor's report.
40. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
41. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in strategic objective presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
42. I did not receive the other information prior to the date of this auditor's report. When I do receive and read the other information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charge 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

43. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
44. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the selected material indicators included in the annual performance report and the material findings on compliance with legislation included in this report.
45. Leadership did not implement monitoring controls to ensure that detailed and credible action plans are implemented to address deficiencies relating to ensuring validity of approved indigents and that measures to prevent irregular expenditure are implemented by management.
46. Management did not have adequate review and monitoring controls over the indigent applications to ensure that the indigent support policy was adhered to and that all approved applicants qualified in accordance with the indigent support policy.
47. Management's review controls were not effective in ensuring that the reported performance for the indicators reporting on a number of formal residential properties that receive piped water,

electricity, sanitation and refuse removal services, only included residential properties connected to the municipality's infrastructure.

48. Management's oversight and compliance monitoring controls were not effective in ensuring compliance with SCM legislation, consequently preventing the incurrence of irregular expenditure and that all disclosures of financial interest were made by senior managers within the timeframes prescribed by regulation 36(1)(a) of the Municipal Systems Act.
49. Management's compliance monitoring controls did not include measures to ensure that reasons for obtaining less than three (3) written price quotations are recorded and approved at the correct delegation level in the procurement of goods and services before the award is made.

Auditor-General

Cape Town

11 December 2024



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*



## Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

### Auditor-general's responsibility for the audit

#### Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the municipality's compliance with selected requirements in key legislation.

#### Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

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

## Communication with those charged with governance

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

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

## Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Section 1 - Paragraph (a), (b) & (d) of the definition: irregular expenditure, Section 1 - Definition: service delivery and budget implementation plan, Sections 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 29(1), Sections 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), Sections 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 62(1)(f)(i), Sections 62(1)(f)(ii), 62(1)(f)(iii), 63(1)(a), 63(2)(a), 63(2)(c), 64(2)(b), Sections 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), Sections 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), Sections 122(2), 126(1)(a), 127(2), 127(5)(a)(i), 127(5)(a)(ii), Sections 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, Sections 171(4)(a), 171(4)(b)
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations 71(1), 71(2), 72
MFMA: Municipal Investment Regulations, 2005	Regulations 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations 5, 12(1)(c), 12(3), 13(b), 13(c), 13(c)(i), 16(a), 17(1)(a) Regulations 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a) Regulations 27(2)(e), 28(1)(a)(i), 28(1)(a)(ii), 29(1)(a), 29(1)(b) Regulations 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c) Regulations 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43 Regulations 44, 46(2)(e), 46(2)(f)
Municipal Systems Act 32 of 2000	Sections 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 29(3)(b), 34(a), 34(b) Sections 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 56(a), 57(2)(a) Sections 57(4B), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 93J(1), 96(b)
MSA: Municipal Planning and performance Management Regulations, 2001	Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 3(6)(a), 7(1), 8, 9(1)(a), 10(a), Regulations 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers, 2006	Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations 17(2), 36(1)(a)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)
Annual Division of Revenue Act	Section 11(6)(b), 12(5), 16(1); 16(3)

Legislation	Sections or regulations
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations	Regulations 17, 25(7A)
Municipal Property Rates Act 6 of 2004	Section 3(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8) Regulations 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5) 9(1), 10(1), 10(2) Regulations 11(1), 11(2).
Preferential Procurement Regulations, 2022	Regulations 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)