



BREED VALLEY

MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

2018/19

**Annual
Report**



Executive Mayor's Message

The Breede Valley Municipality in many respects lives up to its vision with accolades for performing in governance and service delivery. There are challenges but we will address them. With the support of an active community, sharing the responsibility of governance, Council and staff will work shoulder to shoulder to maintain a high level of service delivery, putting the wonderful people of the Breede Valley first. Thank you for everyone's contribution

Antoinette Steyn

EXECUTIVE MAYOR

MAYOR'S MESSAGE

As custodians of the interests of the people of this rich and beautiful Valley, Council's task is one of governance and overview. In pursuance of our vision of, 'A unique and caring valley of service excellence, opportunity and growth,' the Breede Valley Municipality followed a consultative approach in the planning, and execution of its principal strategic plan. The Integrated Development Plan, our blueprint for service delivery was extensively discussed with communities in the Breede Valley, our partners in governance. This included inputs from ward committees and public participation meetings held in the four towns of the Breede Valley. Good governance supported by effective systems, procedures and processes and taking its oversight role seriously, resulted in a sixth consecutive clean audit report for the Breede Valley Municipality.

Good governance lays the foundation for effective service delivery, but you also need commitment, provided by committed, capable staff who make the vision of the Municipality their own, who are guided by our values based on the Batho Pele principles of putting people first. However, maintaining a high level of proficiency demands hard work. Another clean audit report is certainly a confidence booster and I believe with the continued support of our communities we will be able to raise the bar even higher.

Although service delivery in terms of our core functions will always remain our priority, we regard the so-called softer issues equally important. Since these issues in many cases are key in creating an environment conducive to progress, peace and harmony we will always pursue them wholeheartedly. It is important that we will not only have satisfied communities, but happy communities as well. After all, what is the use of having excellent services if you can't enjoy them. Council, during the period under review contributed as follows in the above regard:

Housing

To have a proper house with sturdy walls and a roof over your head is everyone's dream. Council, in initiating and facilitating the catalytic Transhex housing project of 8480 housing opportunities, partnered in one of the largest housing projects of its kind in rural Western Cape. Touwsrivier, one of our poorest communities can also look forward to new homes. The environmental impact study, pertaining to the proposed 900 affordable housing units earmarked for Touwsrivier, is underway and will be finalised early in the new financial year.

The abovementioned projects not only provide homes but also stimulate the local economy by providing job opportunities, address poverty and create confidence in the region's ability to accommodate investment of this

magnitude. We endeavour to build communities and not only deliver housing units.

Empowerment projects

Council continued its empowerment program of the previous financial year with basic training courses in plumbing, welding, roadworks and painting.

Safety

The safety of our communities is of paramount importance. Gang-related violence in areas such as Avian Park, Riverview and Roodewal has escalated the past few years and BVM is in constant contact with role-players such as the Department of Community Safety, the South African Police Service and NPO's to find a workable solution for gang related violence in the neighbourhoods.

BVM supported the Department of Community Safety's walking bus project of concerned community members that accompany learners to- and from schools in Avian Park and De Doorns respectively. In addition to this, BVM also partnered with local businesses in a CCTV project for a safer, accessible Worcester CBD.

Regional Socio-Economic Program (RSEP) projects such as the Zwelethemba Commercial Corridor development paved sidewalks at schools, fenced netball courts and synthetic mini-soccer fields, as well as a mini-neighbourhood centre in Roodewal were implemented to create safer neighbourhoods and counter the negative effect of social ills on our youth.

Council is also represented on the *Worcester Hope and Reconciliation Initiative*, promoting cohesion amongst our people. On Mandela Day 2018 Council participated in the organisation's Ubuntu Walk.

SUPPORT TO NPO'S

NPO's, NGO's and FBO's are doing great work in our communities. To support their initiatives Council held its annual Mayoral/S. N. Pool Golf Day. The proceeds went to 20 local organisations to further their activities in our communities, enriching lives. NPO's, including organisations catering for the needs of the youth, elderly, disabled, as well as schools and churches, were also beneficiaries of the Mayoral Charitable Fund to support vulnerable groups.

Grant in aid contributions

Grant in aid contributions were made to 26 organisations to further their activities in the communities of the Breede Valley.

MAYOR'S MESSAGE

Mayoral bursary fund

Financial assistance to deserving students in the Breede Valley for tertiary studies – investing in the future.

Youth programs

Various programs, empowering the youth, were facilitated by our Community Development Section in partnership with other role players. This included our *Future on Fleek* job shadowing initiative affording grade 11 learners the opportunity to work with municipal officials and gain valuable insight on their future professions of choice.

Culture

Work started on a R6 million upgrade of the Worcester Public Library. Library Services also partnered with the Department of Cultural Affairs and Sport in the *Oral History Project*, ensuring that the history of the towns, told by local storytellers, will be kept alive for future generations.

Indigent support

Rural communities in general, especially the unemployed, elderly and other vulnerable groups bear the brunt of poverty. We have sympathy with the

less fortunate in our communities and encouraged them to apply for indigent subsidy on municipal services. The Office of the Executive Mayor will, whenever possible, assist to alleviate the burden of poverty.

Notwithstanding the above and achievements reflected in this report, service delivery was- and continues to be severely affected by (amongst others):

- ☞ Violence in specific areas, prohibiting officials to perform their tasks in a safe and accommodating environment;
- ☞ Delays in service delivery emanating from the deliberate damage of municipal infrastructure such as sewerage systems and electricity substations;
- ☞ Delays in service delivery due to theft of infrastructure such as electricity overhead cable;
- ☞ Illegal dumping of rubbish; and
- ☞ Water restrictions and load shedding.

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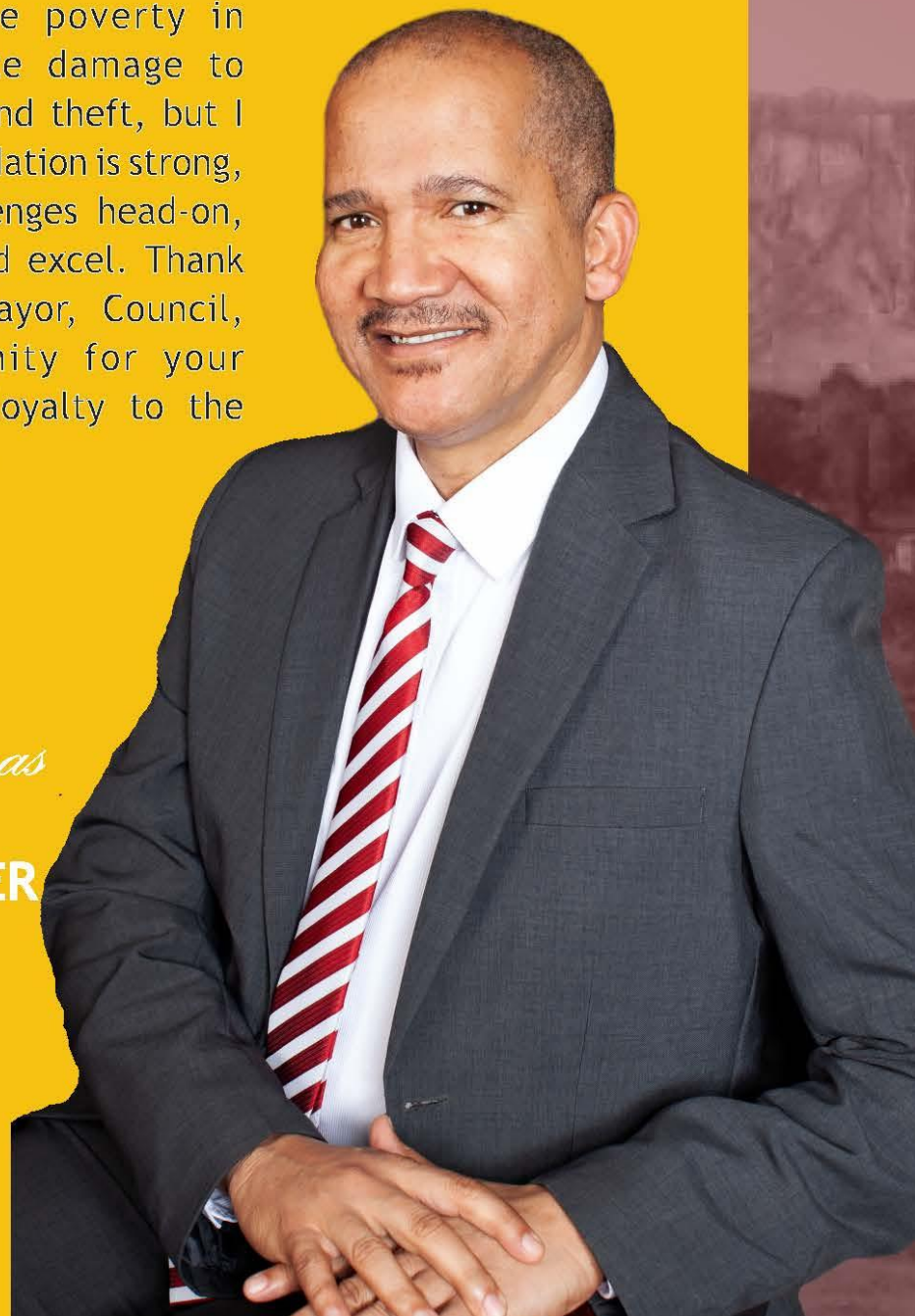
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Municipal Manager's Message

It is inspiring to work with dedicated personnel, serving a dynamic, caring community. There are challenges that threaten good governance such as a culture of violence in neighbourhoods, negative economic growth, unemployment, extreme poverty in certain areas, deliberate damage to municipal infrastructure and theft, but I am confident that our foundation is strong, that we will tackle challenges head-on, build on our successes and excel. Thank you to our Executive Mayor, Council, personnel and community for your invaluable support and loyalty to the Breede Valley Municipality.

David McThomas

MUNICIPAL MANAGER



1.1 MUNICIPAL MANAGER'S MESSAGE

The Breede Valley Municipality, notwithstanding serious challenges facing local government, succeeded in maintaining a high level of governance proficiency and service delivery. Guided by its vision of, "A unique and caring valley of service excellence, opportunity and growth", the Municipality excelled to achieve a sixth consecutive clean audit.

Proven management and oversight practices including the Audit Performance, Risk, Fraud and Corruption and MPAC Committees, institutionalised a good governance culture and served as an indication that the political leadership and administration respectively fulfilled their managerial roles to the best of their ability. However, the essence of local government is to enrich people's lives through effective and sustainable service delivery.

During the year under review the Administration, in terms of the municipality's values based on the Batho Pele Principles of putting people first, exercised its custodianship responsibly. This could only be achieved by embracing communities as our partners, ensuring that proper, consultation, monitoring and oversight of processes take place and the job being done, notwithstanding limited resources due to a negative national economic climate.

In terms of this special relationship with the community, due care was taken to ensure that our service delivery actions (as reflected in this report) served our strategic objectives. In this regard the following highlights need mentioning:

🌀 **Significant progress with the Transhex Housing project.**

The installation of services for phase one of the project, earmarked for a mixed-use development, have been completed. It is envisaged that construction of the top structures of phase one will commence during the first half of the 2019/20 financial year. The 8 480 housing opportunities, offered by the development, will (amongst others) substantially alleviate the housing backlog of 26 342 houses, create ownership, and stimulate the local economy.

🌀 **Developments making provision for the expected expansion of the Breede Valley area** and linked to Transhex

include upgrading of the water treatment works – installation of a de-watering system (belt presses), building of a 20 mega litre reservoir (in progress of completion), building of a sewerage pump station (completed).

🌀 **Re-sealing of streets** to the value of R15 million.

🌀 **Providing basic services**, especially to the poorest of the poor with an indigent portfolio of 17.5% to households. Approximately R5,5 million was spent in the past three financial years on improvements of the sewerage systems, including Zwelethemba and Roodewal. An additional Jet Vac machine to the value of R3,8 million was procured to deal with blocked sewerages more effectively.

🌀 **Regular inspection tours** by senior staff to the different wards to gain first-hand knowledge of existing service delivery challenges, monitor progress and pre-empt possible problems that might occur in future.

🌀 **Sound administrative processes, procedures and systems** – the implementation of a biometric access control and payroll system and tracking devices in vehicles will simplify administrative procedures and contribute to more effective time/overtime management.

🌀 **Optimising communication and public participation practices**, focussing on ward committees and customer care - utilising mechanisms such as social media more effectively. The development of a new website that makes provision for feedback from ward committees is in progress.

🌀 **Creating safer communities** – focusing on the extension of the Regional Socio-Economic Programme (RSEP), crime prevention and the effect of the drought on economic security and municipal resources. The appointment of a prosecutor and law enforcement personnel will fast tract prosecutions. The planning of an additional court (municipal court) is also making good progress. BVM in partnership with the Worcester Business Improvement District was instrumental in the instalment of CCTV cameras in the Worcester CBD, contributing to the reduction of crime in the commercial section of the town.

🌀 **Creating an enabling environment for economic growth** to boost employment and eradicate poverty, focusing on: the implementation of the revised local economic strategy, Transhex Housing development (phase 1), design of an Urban Vision Framework for the Uitvlugt Industrial Park development, approval of the proposed eastern bypass project to accommodate increased traffic volume, especially with the Transhex and Uitvlugt developments in progress and unlocking township economy with the exciting Zweletemba Corridor Development, presently in its implementation phase.

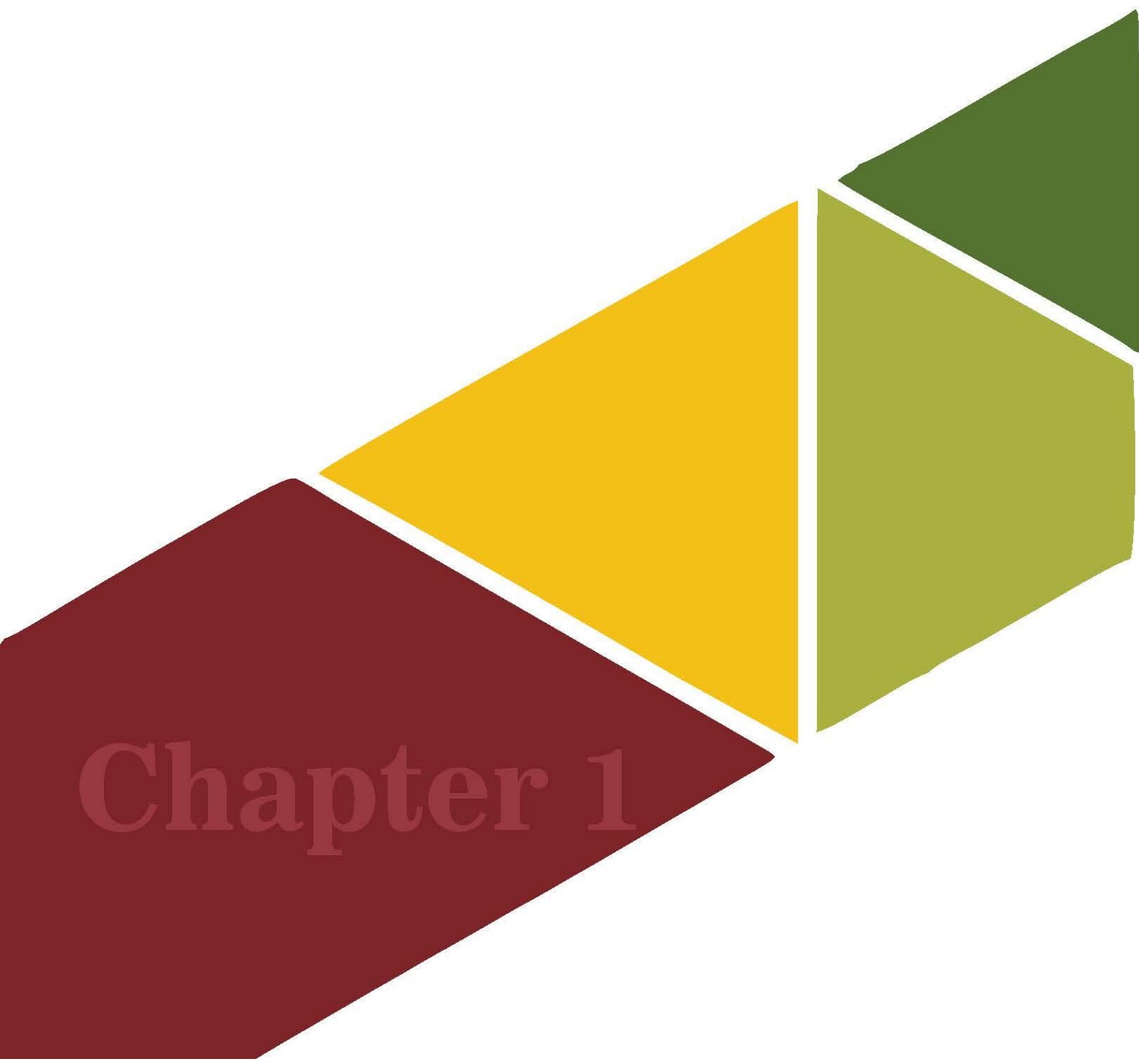
🌀 **Building of a fully operational fire station** for De Doorns (completed).

MUNICIPAL MANAGER'S MESSAGE

- 🌀 **The development of a new corporate identity**
- 🌀 **Entering Worcester for the *Kwêla Town of the Year Competition*** and being selected a Western-Cape finalist.
- 🌀 **Hosting the annual *Service Delivery Jamboree*** in the four towns of the Breede Valley, taking service delivery to the doorstep of communities.
- 🌀 **Realising BVM's caring character.** Contributions from the Mayoral bursary scheme grant-in-aid allocations, as well as the proceeds from the Mayoral/ SN Pool Foundation Golf Day contributed towards a better life for the recipients and served as a means of acknowledging the sterling work done by NGO's and NPO's in our communities.

Breede Valley Municipality is proud to present this 2018/19 Annual Report. The report describes the Municipality's operations in terms of its core legislative obligations, and the various accomplishments and challenges for the period 1 July 2018 to 30 June 2019.

The annual report is prepared in accordance with Section 121(1) of the Municipal Finance Management Act (MFMA), in terms of which the municipality must prepare an annual report for each financial year.



Chapter 1

Vision and Mission

Vision: “A unique and caring valley of service excellence, opportunity and growth”

Mission: “To be a South African care capital by providing sustainable and affordable basic services in a safe and healthy environment, which promotes social and economic welfare through participative governance in a committed service-orientated approach, and appreciates committed staff as the organisation's most valuable resource and key to service delivery”

CHAPTER 1: MUNICIPAL OVERVIEW

1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

1.2.1 Demographic information

a) Municipal geographical information

The BVM covers an area of approximately 3 833 km² stretching from the Du Toitskloof Mountains in the south west to the Kwadousberg in the south east and includes the towns of Rawsonville, Worcester, De Doorns and Touwsrivier, as well as the rural areas adjacent to and between these towns and the Matroosberg rural area. The town of Worcester lies on the N1 and has a major railway link, which presents the town with a locational advantage that provides access to inland markets. The most striking feature of the Breede Valley is its scenic beauty. Majestic mountains, fertile valleys, vineyards and vast plains covered with indigenous semi-desert vegetation captivate the soul. Apart from the formal settlement areas, the municipality has several informal settlements. The region has a counted population of 166 825 (inclusive of the informal settlements), based on 2011 StatsSA census data and 176 578 based on the 2016 StatsSA Community Survey. In 2019, the region has an estimated population figure of 186 796 as per Provincial Treasury's Municipal Economic Review and Outlook (MERO).

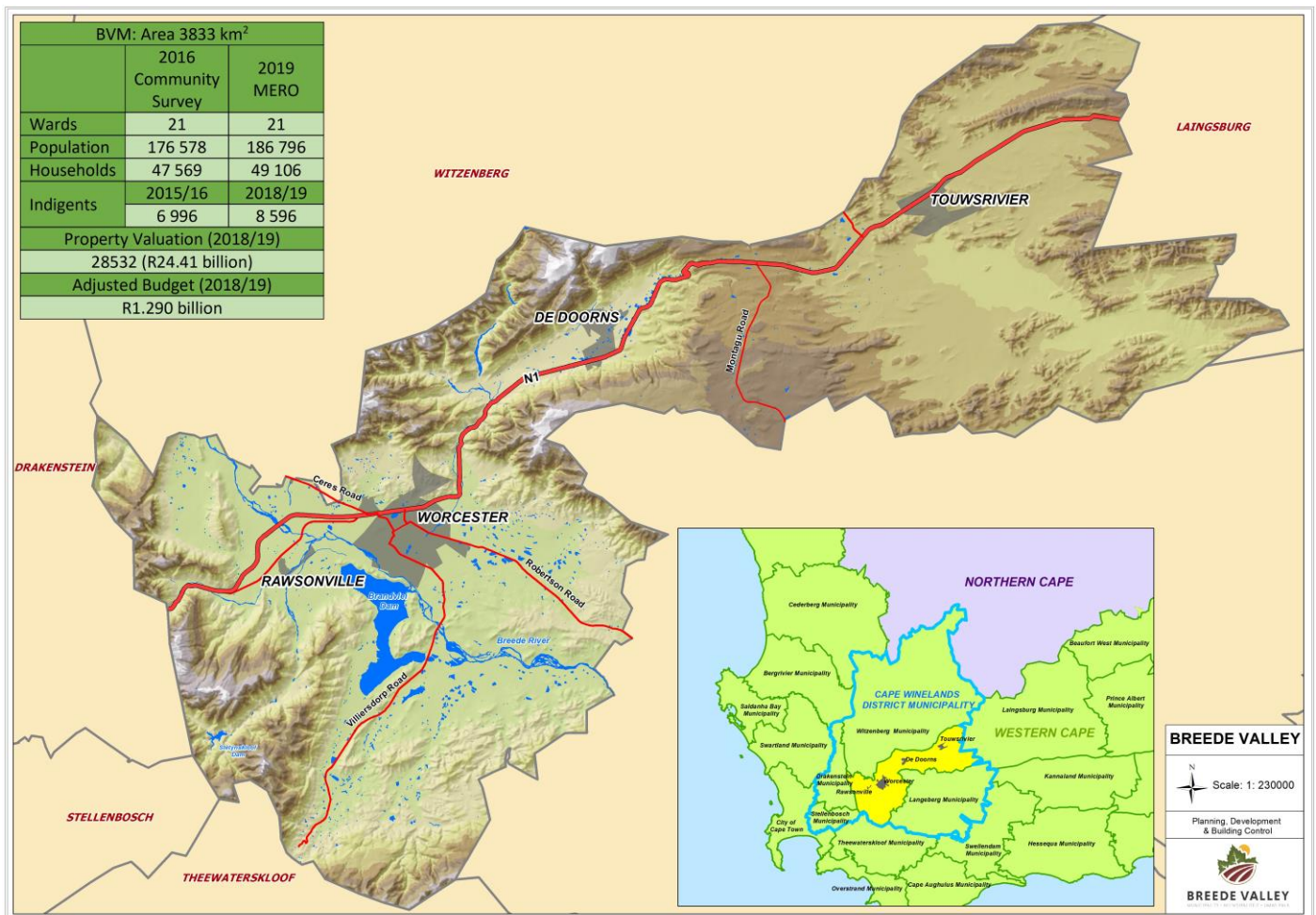


Figure 1: Breede Valley Municipal Area

The BVM was formed in December 2000 encompassing the towns of Touwsrivier, De Doorns, Worcester and Rawsonville.

CHAPTER 1: MUNICIPAL OVERVIEW

Wards

The municipality is structured into the following 21 wards:

Ward	Areas
1	The entire community of Touwsrivier, including business and residential areas
2	De Doorns South, Stofland and adjacent farms
3	The centre of De Doorns, Hasie Square, Ekuphumleni and adjacent farm areas
4	Section of De Doorns town centre, Orchard and adjacent farm areas
5	De Doorns farming areas including Brandwag, De Wet and Sandhills, part of Panorama and Van Riebeeck Park
6	N1 Worcester entrance, Altona, Tuindorp, Bergsig, Van Riebeeck Park, Panorama, Hospital Hill and Fairway Heights
7	Paglande, Meiringspark, part of Roux Park, De La Bat Way, Fairy Glen, Industrial area
8	The Chessies and part of Worcester south (Zwelethemba)
9	Roodewal area and Esselen Park
10	Hex Park, Johnsons Park area and Roodewal flats
11	OVD, Riverview area and Parkersdam
12	Part of Avian Park, CBD and Russell Scheme
13	Johnsons Park 1, 2 and part of 3, part of Noble Park and Riverview houses
14	Riverview flats and Victoria Park
15	Langerug, Worcester West, Somerset Park and Goudini farms
16	Zwelethemba
17	Zwelethemba
18	Zwelethemba and farms from Overhex, Nonna etc.
19	Part of the centre of Rawsonville and outlying farming community
20	Part of the centre of Rawsonville and areas towards N1
21	Avian Park and all surrounding informal areas

Table 1: Municipal wards

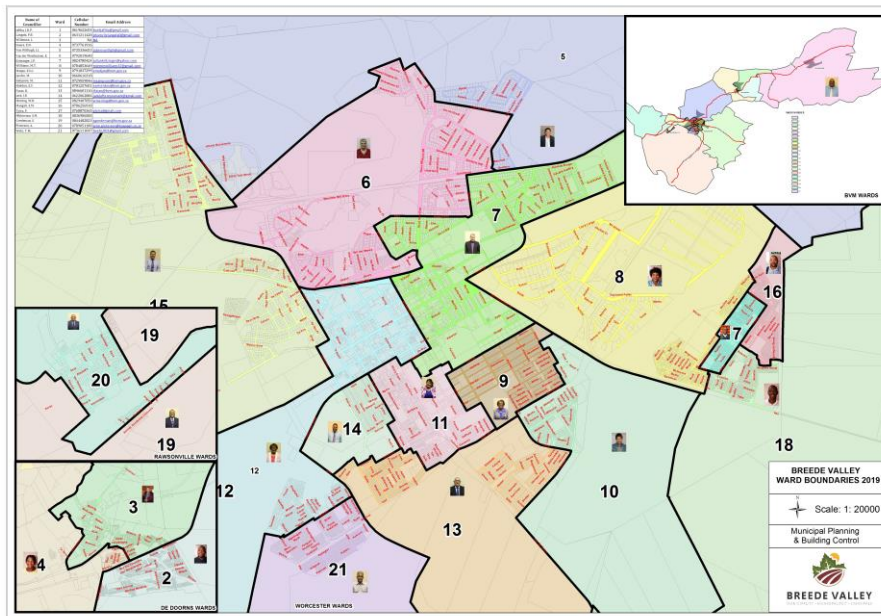


Figure 2: Municipal wards

CHAPTER 1: MUNICIPAL OVERVIEW

Worcester

Worcester is located 120 km north-east of Cape Town on the N1 highway north to Johannesburg.

Worcester is the largest town in the BVM - home to approximately 110 000 people, including those people living on the surrounding farms. It is an old town established in 1820 and named after Lord Charles Somerset's nephew, the Marquis de Worcester. In 1823 there were only 10 houses in Worcester. The town serves as the administrative capital of the Breede Valley local municipality and as regional headquarters for most national and provincial government departments. The town also serves as the hub of the Western Cape's interior commercial, distribution and retail activity with a shopping mall, well developed central business district and infrastructure.

Worcester is considered as one of the largest wine growing regions in South Africa, both in number of vines and volume of wine produced, accounting for approximately 12% of the total production as per the 2018 statistics. There is plenty to see and do in the area and being so centrally situated to the surrounding towns, Worcester is an ideal base from which to explore the region.

De Doorns, Hex River Valley

De Doorns lies on the main route to and from Cape Town, Johannesburg and Port Elizabeth. With its wide range of services and commercial facilities, De Doorns has become the business and shopping centre for the entire valley and surrounding towns. De Doorns is a town with a particularly impressive cultural heritage. In 1819 De Doorns was proclaimed a sub-drostdy of Tulbagh, after two farms had been bought for laying out a town. In 1822 De Doorns was proclaimed a full drostdy.

The little town of De Doorns lies at the centre of the Hex River valley, only one and a half hours' drive from Cape Town, just off the N1 and 35 kilometres north of Worcester, in the midst of South Africa's table grape industry. This is a valley of rolling vineyards, historical Cape Dutch homesteads and snow-capped mountains during winter that combine to make it one of the most picturesque valleys, particularly during autumn when the different vines give rise to a display of variegated colour so rich that all who see it are inspired and none left untouched by its beauty.

De Doorns literally translated means 'the thorns' in Dutch and refers to the Acacia thorn trees that dominate the Hex River banks. De Doorns' wine cellar boasts the longest harvest season in the world, from December through until April, and the area exports some 17 million cartons of grapes annually. Farms here lie nestled between the Hex and Kwadous mountains, which provide much in the way of hiking, mountain biking and rock climbing.

Rawsonville

Rawsonville is a small wine growing and farming community in the Breede River valley of the Western Cape province of South Africa. The town is in a scenic portion of the valley on the eastern flanks of the Du Toitskloof mountains.

The climate is hinterland (further from oceanic influences) mediterranean with cool, rainy winters and warm, dry summers. Due to its more inland location, winters can sometimes get frosty, with heavy snowfalls sometimes falling on the surrounding high-ground. Summers are generally pleasant although some February and March days can reach 38°C or higher.

The area is known for the Breede Kloof Wine Route with its 22 cellars and wine estates and previously also hosted the annual Breede Kloof extreme sports festival. The economy remains heavily reliant on serving the agricultural community, however tourism in the form of weekend retreats are becoming more important to the town's income. Rawsonville is 90 km to the east of Cape Town and 15 km to the west of the large town of Worcester.

Touwsrivier

On 7 November 1877, the Worcester-Matjiesfontein section of the Cape Government Railways' Cape Town-Kimberley main line was opened to traffic. The line included a station, originally named "Montagu Road", where the line bridged the Touwsrivier. The name was given in reference to the town of Montagu, which lies about 90 kilometres (56 miles) to the south by road. In 1883 the station was renamed "Touwsrivier".

The town of Touwsrivier developed around the railway depot, at which locomotives were changed after the climb over the Hex River pass. It was particularly busy because of the need to bank trains over the pass; banking locomotives were turned at Touwsrivier to return to De Doorns. From 1924 it also served as the junction for the branch line to Ladysmith. The closing of the Ladysmith branch in 1981 and the opening of the Hex River tunnel in 1989 reduced the importance of Touwsrivier as a depot.

Touwsrivier received municipal government in 1962 and with the transformation of local government in South Africa it has been incorporated into the Breede Valley local municipality. It is in ward 1 of the local municipality, which in turn falls within the Cape Winelands district municipality.

Touwsrivier is located at an altitude of 770 meters (2 530 ft.) on the south-western edge of the Great Karoo, east of the Hex River mountains and north of the Langeberg, at the point where the Donkies River flows into the Touws River. It lies just to the south of the N1 highway, 180 kilometres (110 miles) by road from Cape Town. The railway line passes through the town, with

CHAPTER 1: MUNICIPAL OVERVIEW

the yards and depot being located just to the north-east. By rail it is 257 kilometres (160 miles) from Cape Town.

b) Population

Population size provides an indication of the volume of demand for government services in a geographical space. It also serves as a planning measure to assist budget planners to match available resources to address the relative demand for services. Of the five local municipalities within the Cape Winelands District, it is estimated that Breede Valley has the second largest population (186 796 in 2019). This total is estimated to increase to 196 126 by 2024 which equates to a 0.98% annual average growth rate. The estimated population growth rate of Breede Valley is therefore lower than the estimated population growth of the Cape Winelands of 1.59%.

The adjacent table indicates the total population estimates within the Cape Winelands District according to the 2019 MERO, as populated by the Western Cape Provincial Treasury:

c) Households

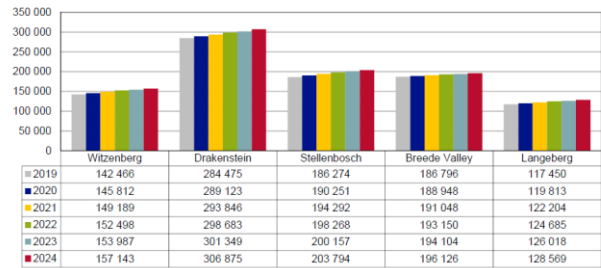
As per Provincial Treasury's 2019 MERO, the total number of households within the municipal area is estimated at 49 106. It is imperative to note that this estimated figure is based on research and forecasts conducted by Quantec Research.

The table below indicates the households and indigent households in the municipal area for various financial years:

Households	2015/16	2016/17	2017/18	2018/19
Number of households in municipal area	47 569#	48 445#	49 730#	49 106#
Number of indigent households in municipal area	6 996	7 864	8 053	8 596

*Source: 2016 StatsSA Community Survey
#Source: Municipal Economic Review & Outlook compiled by Provincial Treasury

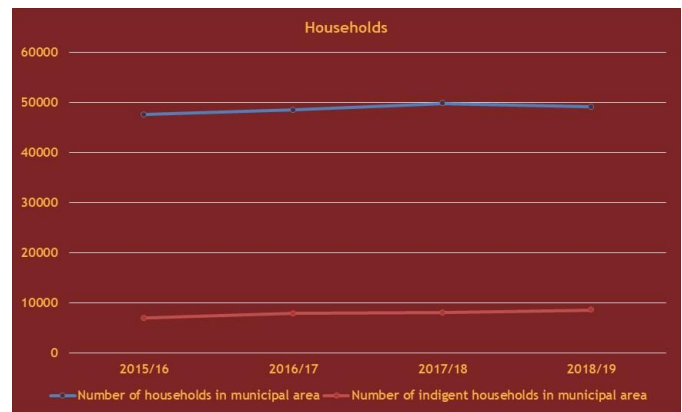
Figure 4.1 Future population growth, Cape Winelands District, 2019 - 2024



Source: Western Cape DSD, 2019

Table 2: Total number of households

The graph below shows that the total number of indigent households grew from 6 996 in the 2015/16 to 8 596 in the 2018/19 financial year



Graph 1: Indigent household representation within the municipal area

CHAPTER 1: MUNICIPAL OVERVIEW

d) Key economic sectors and employment by industry

The table below indicates the Gross Domestic Product per Region (GDPR) contribution and average growth rates per municipal area, 2017 in the Cape Winelands District Municipality (as derived from the 2019 MERO):

Municipality	R million value 2017	Contribution to GDPR (%) 2017	2008 - 2017	Real GDPR growth (%) 2018e
Witzenberg	8 973.0	13.7	4.5	1.6
Drakenstein	21 315.4	32.7	1.9	0.7
Stellenbosch	15 638.5	24.0	1.9	0.8
Breede Valley	12 561.7	19.2	2.5	0.8
Langeberg	6 788.0	10.4	2.8	1.1
<i>Total Cape Winelands District</i>	<i>65 276.7</i>	<i>100.0</i>	<i>2.4</i>	<i>0.9</i>
Western Cape Province	568 420.7	0.0	2.0	0.9

Table 3: Cape Winelands District GDPR contribution and average growth rates per municipal area, 2017

BVM achieved an economic growth rate of 2.5%, slightly above the average growth rate of 2.4% recorded in the Cape Winelands District over the period 2008 to 2017. In addition, the Municipality contributed an approximate amount of R12.6 million to the Gross Domestic Product (GDP) of the Cape Winelands District (CWD) which represents a 19.2% contribution to the GDP (the third largest within the district).

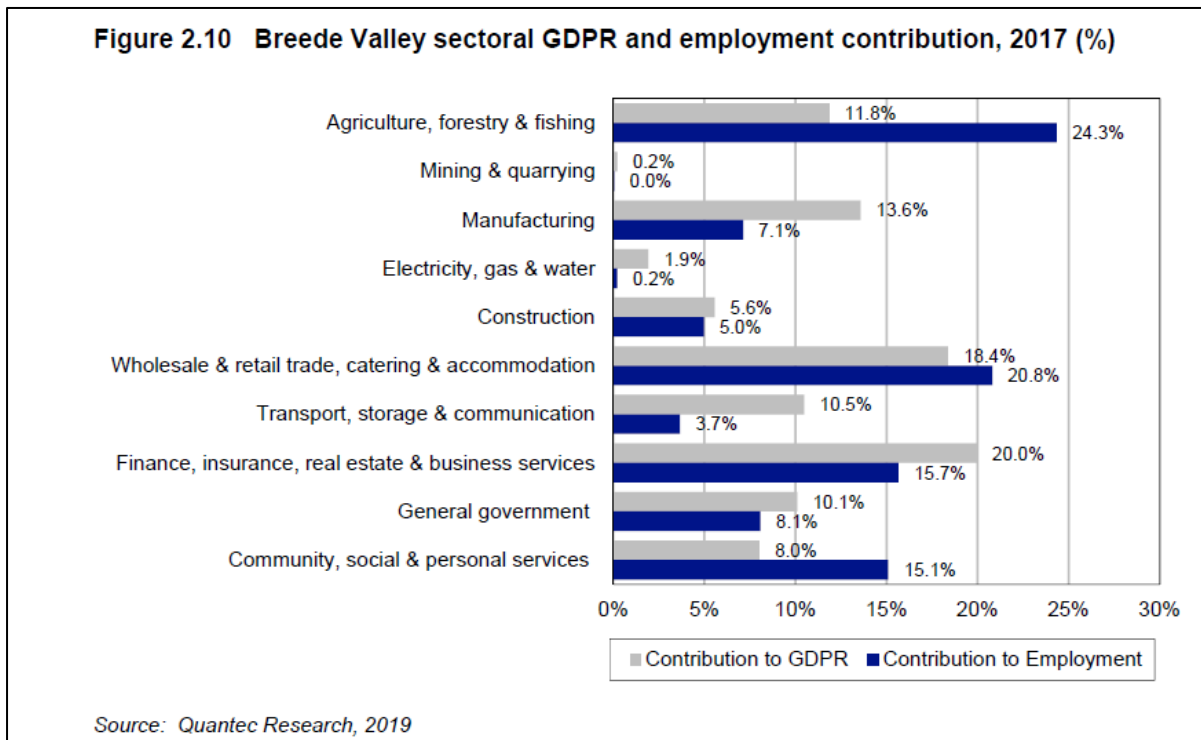


Figure 3: Breede Valley sectoral GDPR and employment contribution, 2017 (%)

In terms of employment, the agriculture, forestry and fishing, and wholesale and retail trade, catering and accommodation sectors are the biggest contributors to employment in the area. The finance, insurance, real estate and business services sector, followed by the wholesale and retail trade, catering and accommodation sector, were the largest contributors to GDPR in the municipal area's economy.

There are some sectors that make a significant contribution to GDPR relative to the number of persons employed in the sector, and the opposite is true for some sectors. The community, social and personal services (15.1 per cent) and agriculture, forestry and fishing (24.3 per cent) sectors contribute more

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towards employment relative to the output generated from their respective sectors. Conversely, the manufacturing sector contributes more to GDP (13.6 per cent) compared to employment (7.1 per cent) indicating that the manufacturing sector in the municipal area is capital-intensive.

Sector	R million value 2017	Trend 2008 - 2017	Real GDP Growth 2018e	Number of jobs 2017	Trend 2008 - 2017	Employment (net change) 2018e
Primary Sector	1 510.80	2.4	-3.9	20 394.00	-9 057.00	-520.00
Agriculture, forestry and fishing	1 484.20	2.5	-3.9	20 356.00	-9 051.00	-518.00
Mining and quarrying	26.5	0.8	-2.8	38	-6	-2
Secondary Sector	2 645.90	1.3	1.0	10 304.00	1 628.00	195.00
Manufacturing	1 705.00	0.9	1.5	5 961.00	72.00	5.00
Electricity, gas and water	241.6	-3.1	-1.0	184	27	-9
Construction	699.4	5.2	0.0	4 159	1 529	199
Tertiary Sector	8 405.00	3.0	1.5	52 917.00	15 356.00	1 556.00
Wholesale and retail trade, catering and accommodation	2 307.20	3.0	0.7	17 393.00	5 412.00	450.00
Transport, storage and communication	1 316.20	1.6	1.1	3 060.00	1 207.00	40.00
Finance, insurance, real estate and business services	2 506.40	5.3	3.3	13 092.00	5 131.00	955.00
General government	1 267.40	1.0	-0.3	6 755.00	574.00	21.00
Community, social and personal services	1 007.80	1.6	0.5	12 617.00	3 032.00	90.00
Total Breede Valley	12 561.70	2.5	0.8	83 615.00	7 927.00	1 231.00

Source: Quantec Research, 2019 (e denotes estimate)

Table 4: Breede Valley GDP and employment performance per sector, 2017

The tertiary sector contributed the most to both GDP and employment in the municipal area. Within this sector, the wholesale and retail trade, catering and accommodation, and finance, insurance, real estate and business services sectors were the largest contributors to employment and GDP in 2017. Furthermore, these two sectors had above-average growth rates between 2008 and 2017. It is estimated that most of the employment opportunities that were created in 2018 were from these two sectors, with the finance, insurance, real estate and business services sector experiencing the highest growth rate (3.3 per cent) in 2018.

The agriculture, forestry and fishing sector has been the most vulnerable to exogenous economic and environmental factors, with this sector experiencing a net decline in employment between 2008 and 2017. Even though the sector absorbed more persons into the economy between 2012 and 2013 and in 2015, the employment opportunities that were created could not offset the decline in employment experienced between 2008 and 2010, and the recurring job losses that took place in 2014 and after 2015.

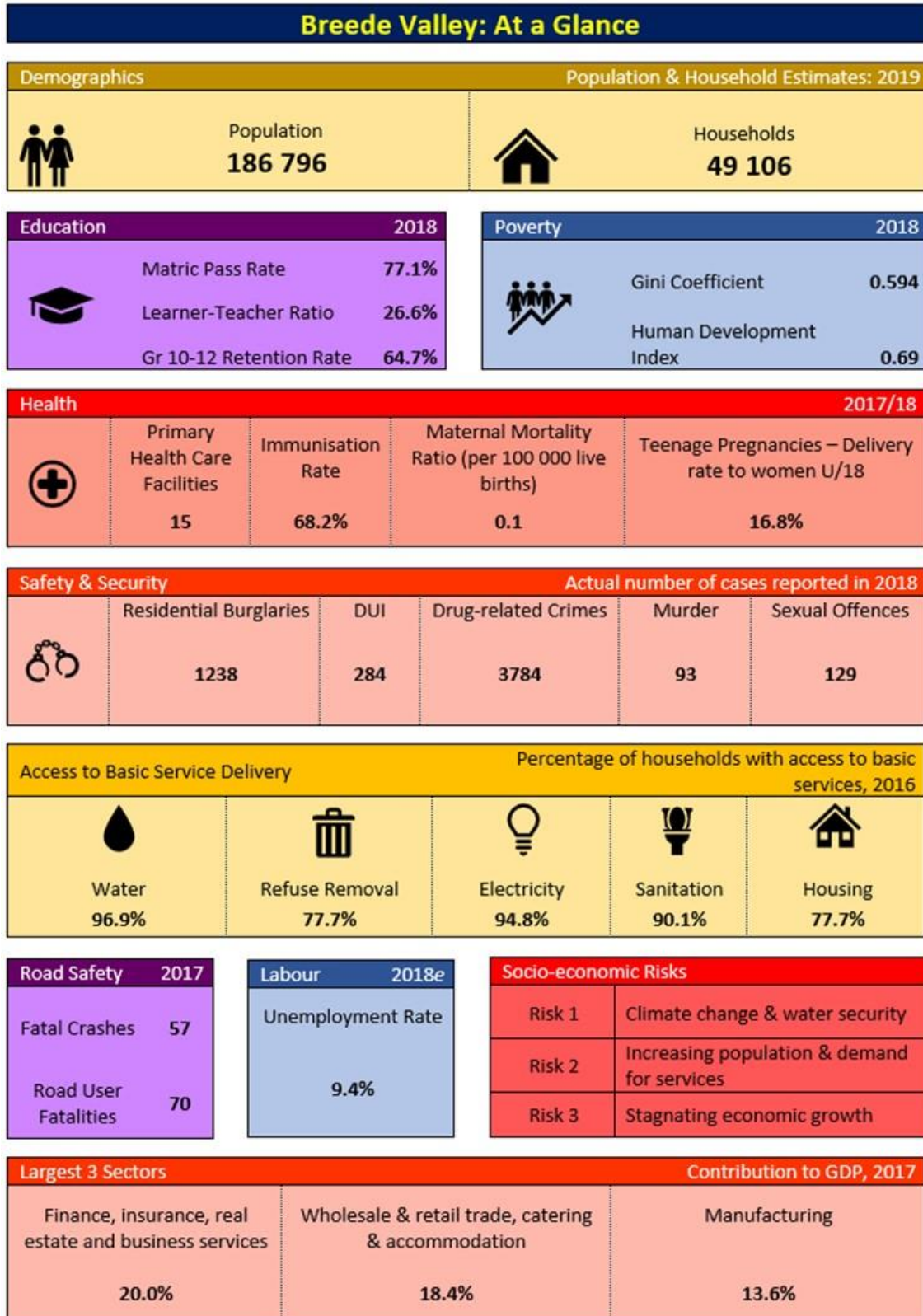
The construction sector grew at 5.2 per cent over the ten-year period, which is significantly higher than the growth rates of most of sectors. This suggests that the demand for construction-related activities was high, despite economic disturbances. It is estimated that the construction sector created 199 jobs in 2018, which is significant considering its overall contribution to employment relative to the other sectors.

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1.2.2 Socio economic information

a) Socio economic profile

The figure below indicates the socio-economic profile of BVM:



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1.2.3 Municipal challenges

The following general challenges are experienced by the municipality:

Challenges	Actions to address
Skill shortages and high staff turnover	Implement staff retention strategy
Limited integration between directorates and departments	Design internal service level agreements (SLAs) to facilitate inter departmental coordination
Lack of customer-oriented organisational culture	Establish a strong corporate image to underpin a uniform organisational culture
Limited budget for maintenance or replacement of ageing infrastructure	Design and implement revenue enhancement strategies
Poverty and increasing indigent base	Enhance the free basic services provisioning in the annual budget
Limited capital reserves	Design and implement revenue enhancement action plans
Low work ethic and morale	Investigate the implementation of a staff reward system
Insufficient office accommodation (municipal building outdated)	Execute plans to relocate municipal units with insufficient office space to alternative accommodation
Proliferation of informal settlements	Implement formalisation of informal settlement plans
Limited rural development	Rural development is incorporated in the Spatial Development Framework (SDF) and is addressed as part of the Regional Socio-Economic Programme (RESP)

Table 5: Municipal challenges

1.3 SERVICE DELIVERY OVERVIEW

1.3.1 Basic service delivery highlights

The following highlights were achieved by the Municipality with regards to basic service delivery:

Highlight	Description
Resurfacing of municipal roads	5.73 km's of roads were resealed
Construction of Material Recovery Facility in Worcester	Construction of the Worcester Material Recovery Facility/transfer station started in June 2019 and it is estimated to be completed by January 2020
Water loss below the norm of 15%	The quick response to fixing leaking pipes and water meters contributed to the reduction of water losses
Replace 25 house connections and toilets	House connections and toilets were replaced after regular blockages of these toilets and pipes
Purchase and delivery of new vehicles	New vehicles were purchased to assist with the daily needs as required. Two new crane trucks and 6 specialised vehicles were purchased and take up into the Electrical Departments fleet
Instalment on new MV equipment	Instalment of a new 11Kv minisub station and equipment
Replacement of open overhead lines to bundle overhead conductor	Replacement of open overhead cu conductors to adequate size of bundle overhead conductors to eliminate vandalism and damage to electrical network systems

Table 6: Basic services delivery highlights

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1.3.2 Basic service delivery challenges

The following general challenges are experienced by the Municipality with regards to basic service delivery:

Service Area All Wards	Challenge	Actions to address
Water Supply	Vandalism of infrastructure	Raise awareness amongst the public to take ownership of infrastructure
Sanitation	Sewerage blockages	<ul style="list-style-type: none"> 🌀 Replacement of sewer pipes 🌀 Preventative maintenance
	Vandalism of infrastructure	Raise awareness among the public to take ownership of infrastructure
Municipal Fleet	Maintenance and control of the fleet	The appointment of a fulltime Fleet Manager is overdue and has been prioritised as part of the recruitment drive. In addition, continual fleet repair and maintenance is being prioritised and conducted by the mechanical workshop
Roads	Rain damage to gravel roads in Zwelenthemba and Avian Park	Planning to re-gravel these areas
	Extensive potholes in roads in Worcester	Repairing potholes
Solid Waste	Maintenance and availability of refuse compactors	The Municipality procured 6 refuse compactors since 2016 and have improved the collection of refuse. Five vehicles are utilised within Worcester and 1 in De Doorns. The Municipality continues to plan for the expansion and particularly maintenance of its fleet, subject to available budget
	Uncontrolled littering and refuse dumping	The emphasis is still on addressing the symptoms, but education and law enforcement should be pursued
Electrical	Vandalism of infrastructure	<ul style="list-style-type: none"> 🌀 Raise awareness amongst the public to take ownership of infrastructure 🌀 Install and monitor alarm systems
	Electrical power-off	<ul style="list-style-type: none"> 🌀 Preventative maintenance 🌀 Replacement of old infrastructure
	Unsafe and unauthorised electrical connections	<ul style="list-style-type: none"> 🌀 Raise awareness amongst the public and education of consumers 🌀 Councillors to take responsibility

Table 7: Basic service delivery challenges

1.3.3 Proportion of households with access to minimum level of basic services

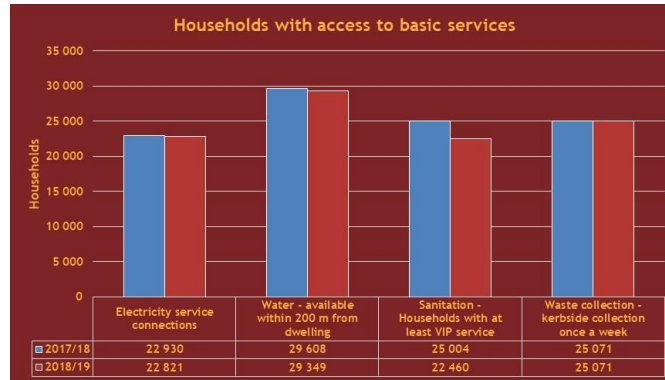
The table indicates the total number of households that have access to the minimum levels of basic services:

Level of services	2017/18#	2018/19#
Electricity service connections	22 930*	22 821*
Water - available within 200 m from dwelling	29 608	29 349
Sanitation - Households with at least VIP service	25 004	22 460
Waste collection - kerbside collection once a week	25 071	25 071
* Excludes Eskom households # Data in line with SAMRAS and the database from the Department of Human Settlements: 2014 image count		

Table 8: Households with minimum level of basic services

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The graph shows the proportion of households with access to basic level of services:



Graph 2: Households with access to basic services

1.4 FINANCIAL HEALTH OVERVIEW

1.4.1 Financial viability highlights

The following highlights were achieved by the Municipality regarding financial viability:

Highlight	Description
Successful transition between two prepaid Electricity Vending System	During the financial year, a new service provider was appointed to render prepaid electricity. The transition to a new vendor resulted in minimal inconvenience for consumers
Successful Finance Work Exposure EPWP programme	In a quest to ensure that young people are given the necessary experience in a Municipal Finance Environment BVM introduced a Work Exposure EPWP Programme from 1 July 2018. The participants are given work exposure for 6 months within the finance environment. The programme has been a success with some of the participants being absorbed into permanent positions
Annual Jamboree	The Municipality held a successful Jamboree, where the Municipality takes service delivery to the people by assisting them with account queries, indigent applications, housing queries and any service-related queries
Supply Chain Contract Management (SCCM)	Successful establishment of the Contract Management Unit within SCM, which became fully operational to fulfil the legislative requirements in accordance with Section 116 of the MFMA and for the first time contributed to the operational demand planning for the 2019/20 financial year

Table 9: Financial viability highlights

1.4.2 Financial viability challenges

The following general challenges are experienced by the Municipality with regards to financial viability:

Challenge	Action to address
Adverse economic conditions having a negative effect on the debt collection efforts of the Municipality	The Debt Collection Policy has been revised to ensure that it is more relevant to the current challenges. Attorneys have been appointed to assist with the collection of long outstanding debt. A new credit control system will be commissioned soon
Increase in Electricity Bulk Purchases having resulted in higher electricity tariffs	The Municipality tried to ensure that the most vulnerable in society are protected as much as possible from the negative effects by keeping the tariff increases within the guidelines

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Challenge	Action to address
Growing Indigent Register because of economic conditions	Verification of indigent register through co-operation with the Department of Co-operative Governance and Traditional Affairs, Department of Labour and South African Social Security Agency

Table 10: 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 and indicator	2017/18	2018/19	Comments
Debt coverage- [(Total operating revenue-operating grants received)/debt service payments due within the year]	21.27	27.70	The ratio measures the Municipality's ability to finance debt from own funding. The ratio improved from 21.27 to 27.70 as a result of the increase in revenue and decrease in external loan payments. The Municipality did not take up any new loans
Service debtors to revenue- (Total outstanding service debtors/ revenue received for services)	15.15%	16.93%	The ratio measures the effectiveness of revenue collection. The Municipality constantly strives to strengthen debt collection and credit control procedures
Cost coverage- (Available cash+ investments)/ Monthly fixed operating expenditure	1.87	1.38	The ratio measures the Municipality's ability to finance its short-term obligations. Although the ratio slightly decreased it is well within national norm

Table 11: National KPIs for financial viability and management

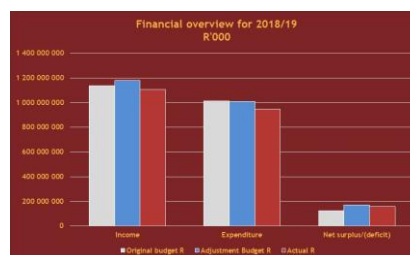
1.4.4 Financial overview

The table below shows the financial overview of the municipality for the 2018/19 financial year:

Details	Original Budget	Final Budget	Actual
	R		
Income	1 135 219 047	1 177 436 445	1 105 530 898
Grants	287 545 247	301 130 357	298 970 408
Taxes, levies and tariffs	724 640 800	709 037 169	702 298 602
Other	123 033 000	167 268 919	104 261 888
Less: Expenditure	1 011 347 518	1 008 554 148	946 726 734
Net surplus/(deficit)	123 871 529	168 882 297	158 804 164

Table 12: Financial overview

The graph below shows the financial overview for 2018/19:



Graph 3: Financial overview for 2018/19

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1.4.5 Operating ratios

The following table contains the operating ratios for the 2018/19 financial year:

Detail	Expected norm	Actual	% Variance
	(%)		
Employee cost	35	32.78	(2.22)
Repairs and maintenance	8-12	6.47	(1.53)
Finance charges and depreciation	18	12.24	(5.76)

Table 13: Operating ratios

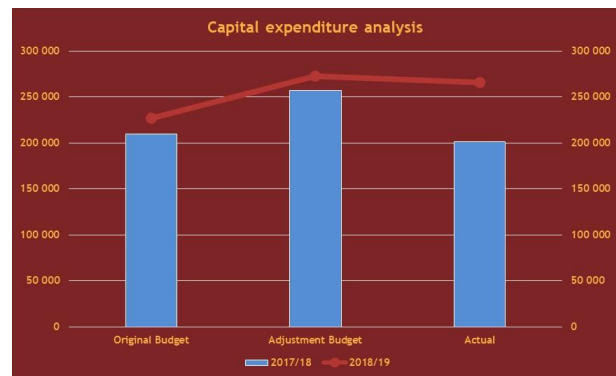
1.4.6 Total capital expenditure

The table below shows the total capital expenditure for the last two financial years:

Detail	2017/18	2018/19
	(R'000)	
Original budget	209 954	226 667
Adjustment budget	256 560	272 886
Actual	201 022	266 003

Table 14: Total capital expenditure

The graph below shows the total capital expenditure for the last two financial years:



Graph 4: Total capital expenditure

1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

1.5.1 Municipal Transformation and Organisational Development highlights

The following highlights were achieved by the Municipality regarding municipal transformation and organisational development:

Highlight	Description
Dedicated recruitment and selection drive	BVM initiated a dedicated recruitment and selection drive in June 2019 as a means of fast tracking the filling of funded vacant positions. This will enhance service delivery and will ensure that the vacancy rate of 16.88% which is slightly above the norm of 15%, be decreased
Annual review of staff establishment	BVM reviews its approved staff establishment on an annual basis. The process is inclusive of all consultative structures within BVM. The annual review was finalised in May 2019 and approved by Council on 23 May 2019
Sound labour relations	BVM has a sound working relationship with organised labour. The basis of the sound labour relations within BVM is built on involving organised labour in formal processes and ensuring that the Local Labour Forum meets regularly as required by our sector's collective agreement

Table 15: Municipal Transformation and Organisational Development highlights

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1.5.2 Municipal Transformation and Organisational Development challenges

The following general challenges are experienced by the Municipality regarding municipal transformation and organisational development:

Challenge	Actions to address
TASK job description writing process	BVM is in the process of updating and finalising a new job description for every position on the approved staff establishment. The finalisation has progressed slowly due to the lack of commitment by all the relevant role players. The consultation sessions agreed upon are time consuming and have a major impact on the finalisation of the job descriptions
Insufficient human capital capacity	BVM initiated a dedicated recruitment and selection drive to counter the impact on service delivery due to the funded vacant positions which are not filled. This will ensure that human capital in service delivery section are increased which could lead to higher level of productivity

Table 16: Municipal Transformation and Organisational Development challenges

1.5.3 MFMA competencies

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

In order to assist the above-mentioned officials to acquire the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role-players in the local government sphere, developed an outcomes-based qualification at a NQF level 6.

BVM is committed to ensure that the relevant positions in terms of the abovementioned legislation comply with the necessary competencies.

The table below provides details of the financial competency attainment levels amongst financial and supply chain management officials as required by the regulation:

Description	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial officials				
Accounting Officer	1	1	1	1
Chief Financial Officer	1	1	1	1
Senior managers S57	3	3	3	3
Any other financial officials	3	n/a	n/a	3
Supply chain management officials				
Heads of supply chain management units	2	n/a	n/a	2
Senior Manager: SCM	1	1	0	1
TOTAL	11	6	5	11

Table 17: Financial competency development: Progress report

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1.6 AUDITOR-GENERAL REPORT

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.

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

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

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

- 🌀 **A clean audit:** The financial statements are free from material misstatements and there are no material findings on reporting on predetermined objectives or non-compliance with legislation.
- 🌀 **Unqualified audit with findings:** The financial statements contain material misstatements. Unless a clean audit outcome is expressed, findings will be 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 there is insufficient evidence 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:** Insufficient evidence was provided 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.

BVM implemented MGRO as initiated by Provincial Treasury. MGRO is a Municipal Governance and Review Outlook plan to monitor the performance of municipalities within certain focus areas to ensure clean administration within the Western Cape.

The key control exercise, which is a quarterly assessment initially implemented by the Auditor-General to monitor performance of the municipality, was performed in-house by the Internal Audit team of BVM for the 2018/19 financial year. The findings of the quarterly assessment, together with the audit findings of the previous year, a complete compliance list and the emerging risks identified by the Auditor-General and top ten risks of each directorate were included in the MGRO document to ensure good governance. Progress is being followed up on a continuous basis. MGRO has been included on the dashboard of the Municipal Manager and action plans are monitored on a regular basis.

1.6.1 Audited outcomes

The table below illustrates the audit outcomes for the past six years for BVM:

Year	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Status	Clean Audit	Clean Audit	Clean Audit	Clean Audit	Clean Audit	Clean Audit	Unqualified with findings

Table 18: Audit outcomes

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1.7 IDP, BUDGET AND PMS PROCESS

Below is a summary of key activities that took place in terms of the IDP, budget and PMS for the 2018/19 IDP process:

MONTH	ACTIVITIES	DUE DATE	LEGISLATION	RESPONSIBLE PERSON/STRUCTURE
ANALYSIS PHASE				
July 2018	Preparation of the Draft IDP /Budget and PMS Time Schedule			PMS/IDP Manager
	Senior Management to discuss the draft IDP/Budget and PMS Time Schedule			EXECMAN
	Engagement with Budget Office and PMS for alignment purposes			CFO/IDP/PMS Manager
	Address provincial IDP Assessment findings		MSA S31	DLG/IDP/PMS Manager
	Mayor begins planning for next three-year budget cycle in accordance with co-ordination role of budget process and review of previous year's budgeting process		MFMA S53	CFO/MM/EM
	Accounting officer and senior managers of municipality commence planning for next three-year budget		MFMA S68, 77	MM/EXECMAN
	Accounting officer and senior managers of municipality review options and contracts for service delivery		MSA S76-81	MM/EXECMAN
	Submission of Q4 SDBIP Report (for last quarter of 2017/18)		MPPR Reg. 14	HOD's/IDP/PMS Unit
	Approve and announce new budget schedule and set up committees and forums after consultation on performance and changing needs			MM/EXECMAN
	Signing of new performance agreements for Section 57 Managers and submission to Mayor and Municipal Manager on 31 July 2018		MFMA S69 MSA S57	EM/MM/IDP/PMS Manager
	Prepare Sector Plans for the 2019/20 financial year			HODs
	Conduct final 2017/18 S57 Managers' Performance Assessments			MM/PMS Unit
	Preparation of S46 Reports		MSA S46	HODs
	Collate inputs to Annual Report		MSA S46	PMS/IDP Manager

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MONTH	ACTIVITIES	DUE DATE	LEGISLATION	RESPONSIBLE PERSON/STRUCTURE
	Stage 1: Inception of the Review of the Spatial Development Framework (SDF)		MSA Section 34; SPLUMA Section 21 (2) and LUPA Section 11 (a) and (b)	Town Planning
August 2018	Roll-Over Budget tabled to Council	01 August 2018	MFMA S28(2)(e), Budget Reg. 23(5)	CFO/Manager Budgets
	IDP Time Schedule tabled to Council for approval	01 August 2018		IDP/PMS /Council
	Advertisement of the IDP Time Schedule in order to meet AG audit requirements			IDP/PMS Manager
	Review of comments received from DLG on the 2018/19 IDP Review document			IDP Steering Committee
	Self-assessment to identify gaps in the IDP process			IDP Steering Committee
	Review situational analysis to identify changing community needs and challenges			IDP Steering Committee
	Review of Municipal Strategies, Objectives, KPA's, KPI's and targets			IDP Steering Committee
	Mayor tables in Council a time schedule outlining key deadlines for preparing, tabling and approving the budget	01 August 2018	MFMA S21, 22, 23; MSA S34	EM
	Send approved IDP/Budget Time Schedule to DLG/ MEC for Local Govt	01 August 2018		IDP/PMS Manager
	Mayor establishes committees and consultation forums for the budget process			EM
	Accounting Officer submits AFS to Auditor-General by 31 August 2018	01 August 2018	MFMA S126(1)(a)	CFO/MM
	Submission of the Annual Performance Report to Council		MSA S46	IDP/PMS Manager
	Submission of S46 Report to AG by 31 August 2018		MSA S46	IDP/PMS Manager
	Stage 2: Updating of SDF Status Quo Report			
	Establishment of internal project steering committee in respect of the Review of the SDF		LUPA – Section 11 (a) and (b) and MSA Regulations: Chapter 2 Section 3 (2) (a) & (b)	Town Planning
September 2018	Integration of new information from adopted Sector Plans into the IDP Review document			IDP/PMS Manager
	Compile ward-based plans to identify ward priorities			IDP/PMS Manager

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MONTH	ACTIVITIES	DUE DATE	LEGISLATION	RESPONSIBLE PERSON/STRUCTURE
	Review and update IDP Vision, Mission and Objectives			IDP/PMS Manager
	Council determines strategic objectives for service delivery and development for next three-year budgets			IDP/PMS/Council
	Review of provincial and national government sector and strategic plans			IDP/PMS/Council
	Align IDP with provincial and national sector specific programmes (schools, libraries, clinics, water, electricity, roads, etc.)			IDP/PMS Manager
	Audit of performance measures			AG
	Assess municipal performance and identify where changes are needed for next 3 years [incorporate community inputs]			IDP/PMS Manager
	Review the municipality's performance management system (PMS)			IDP/PMS Manager
	Review the measures and annual performance targets			IDP/PMS Manager
	Send reminder to HOD's to submit their Q1 SDBIP Reports.		MSA S41	IDP/PMS Manager
STRATEGIES				
October 2018	Conduct public participation sessions in wards			Senior Management/IDP
	Integration of information from reviewed Sector Plans into the IDP Review document			IDP/PMS Manager
	Integration of Spatial Development Framework			IDP /PMS Manager
	Update and review the strategic elements of the IDP			IDP/PMS Manager
	Municipality finalise the action plan for JPI implementation	01 October 2018		MM/EXECMAN/IDP/PMS Manager
	IDP Steering Committee Meeting			IDP/PMS Manager
	Provincial JPI meeting	01 October 2018		DLG
	Initial review of national policies and budget plans is conducted and potential		MFMA S35, 36, 42; MTBPS	MM/CFO
	Discuss potential price increases of bulk resources with sector departments		MFMA S35, 36, 42; MTBPS	MM/CFO
	Determine revenue projections and proposed rates and service charges	01 October 2018		CFO/Budget Steering Committee/Manager: Budgets

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MONTH	ACTIVITIES	DUE DATE	LEGISLATION	RESPONSIBLE PERSON/STRUCTURE
October 2018	Drafts initial allocations to functions and departments for the next financial year based on strategic objectives	01 October 2018		CFO/Manager: Budgets
	Engagement with sector departments, share and evaluate plans, national policies, MTBPS			CFO
	Incorporate initial changes into IDP			IDP/PMS Manager
	Submission of Q1 Reports by HOD's			HOD's
	Q1 Reports tabled to Council (for first quarter of 2018/19)		MPPR Reg. 14	
	S57 Managers' quarterly informal assessments (for first quarter of 2018/19)			IDP/PMS Manager
	Stage 3: First Draft SDF			Town Planning
PROJECTS PHASE				
November 2018	Review of Municipal Strategies, Objectives, KPA's, KPI's and targets			PMS/IDP/MM
	Identification of priority IDP projects based on ward committee inputs			IDP/PMS Manager
	Reviews and initial changes are drafted into IDP		MSA S34	IDP/PMS Manager
	JPI District Alignment Workshop			DLG
	Accounting officer and senior officials consolidate and prepare proposed budget and plans for next financial year taking into account previous year's performance as per audited financial statements	01 November 2018		Budget Steering Comm./CFO
	Identify new CAPEX/OPEX projects and programmes emanating from IDP projects	01 November 2018		CFO/IDP Steering Committee
	Auditor-General returns audit report by 30 November 2018		MFMA S126(4)	AG/MM
	Review performance of service providers as per the approved policy			
	Stage 3: Public Participation Engagements in respect of the First Draft SDF			Town Planning

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MONTH	ACTIVITIES	DUE DATE	LEGISLATION	RESPONSIBLE PERSON/STRUCTURE
	Stage 3: Invite public / local community to submit written comment on the proposed amendment within 60 days of the publication thereof in the Provincial Gazette and the Media		SPLUMA – Section 20(3)	Town Planning
December 2018	Departments to comment on the reviewed Municipal Strategies, Objectives, KPA's, KPI's and targets			EM
	Project alignment between CWDM and BVM			EM
	Identification of priority IDP projects			IDP/PMS Manager
	Council finalises tariff policies for next financial year		MSA S74, 75	CFO/Executive Mayor
	Inputs from Departments for Adjustment Budget	01 December 2018		MM/Directors/Budget Steering Committee/ Manager: Budgets
	Start preparation for mid-year review and performance assessment			IDP/PMS Manager
	Compile Annual Report for 2017/18		MFMA S121	IDP/PMS Manager
	Finalise the review and update of recommendations contained in LG-MTEC reports and IDP Analysis Reports	01 December 2018		IDP/PMS Manager
	Send reminder to HOD's to submit their Q2 SDBIP Reports		MSA S41	IDP/PMS Manager
January 2019	Review of Municipal Strategies, Objectives, KPA's, KPI's and targets in strategic planning session with senior management			IDP/PMS Manager
	Identification of priority IDP projects			IDP/PMS Manager
	IDP Steering Committee Meeting			IDP/PMS Manager
	Submission of Q2 Reports by HOD's			EM/IDP/PMS
	Q2 Reports tabled to Council (for second quarter of 2018/19)		MPPR Reg. 14	IDP/PMS Unit
	Mayor tables draft annual report for 2017/18		MFMA S127(2)	PMS/IDP /EM
	Make public annual report and invite community inputs into report		MFMA S127 & MSA S21a	IDP/PMS Manager
	Municipal Manager submits Midterm/Midyear Report to the Mayor		MFMA S72	MM

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MONTH	ACTIVITIES	DUE DATE	LEGISLATION	RESPONSIBLE PERSON/STRUCTURE
	Midterm/Midyear Report is published in the Local Newspaper			IDP/PMS Manager
February 2019	Continuous Review of Municipal Strategies, Objectives, KPA's, KPI's and targets			PMS/IDP Manager
	Identification of priority IDP projects			IDP/PMS Manager
	Provincial JPI Engagement			
	Assess the municipality's service delivery performance and the service delivery targets and performance indicators set in the SDBIP			MM/EXCO/IDP/PMS Manager
	Assess the past year's annual report, and progress on resolving issues identified in the annual report			MM/EXCO/IDP/PMS Manager
	Accounting officer finalises and submits to Mayor proposed budgets and plans for next three-years, taking into account the recent mid- year review and any corrective measures proposed as part of the oversight report for the previous years audited financial statements and annual report			CFO/MM
	Prepare detailed budgets and plans for the next three years			CFO/Manager: Budgets
	Prepare Adjustment Budget	01 February 2019		
	Table Adjustment Budget before Council	01 February 2019	MFMA S28(2)b, d, f	Executive Mayor
	Executive Management adopts budget and plans and changes to IDP			CFO/EXCO/IDP/PMS Manager
	Quarterly Project Implementation Report (for second quarter of 2018/19)		MPPR Reg. 14	
	Submit draft annual report to AG and DLG		MFMA S127	PMS/IDP Manager
	S57 Manager's formal quarterly assessments (for second quarter of 2018/19)			MM/IDP/PMS Manager
	Draft SDBIP's for 2019/20 developed and for incorporation into draft IDP 2019/20			IDP/PMS Manager

CHAPTER 1: MUNICIPAL OVERVIEW

MONTH	ACTIVITIES	DUE DATE	LEGISLATION	RESPONSIBLE PERSON/STRUCTURE
	Accounting officer reviews proposed national and provincial allocations to municipality for incorporation into the draft budget for tabling	01 February 2019	MFMA S36	CFO/Manager: Budgets
	Stage 4: Second Draft SDF – Workshop with Council			Town Planning
INTEGRATION/REFINEMENT PHASE				
March 2019	Submit approved Adjustment Budget to NT, PT and Public	10 Working days after approval		Manager: Budgets
	Finalisation of Municipal Strategies, Objectives, KPA's, and KPI's and targets			IDP/PMS Manager
	IDP Steering Committee Meeting			IDP/PMS Manager
	Adoption of draft IDP and Budget 2019/20	01 March 2019	MFMA S16(2)	CFO/IDP/ PMS Manager
	Mayor tables municipality budget and proposed revisions to IDP at least 90 days before start of budget year	01 March 2019	MFMA S16, 22, 23, 87; MSA S34	Executive Mayor
	Council to consider and adopt an oversight report due by 31 March 2019		MFMA S129(1)	
	Council adopts Annual Report for the year ending June 2018			EM/IDP/PMS
	Publicise Annual Report and MPAC Report			PMS/IDP Manager
	Submit Draft SDBIP's for 2019/20 to Council			IDP/PMS Manager
	Reminder to be sent to HOD's to submit their Q3 SDBIP Reports		MSA S41	PMS/IDP Manager
	Set performance objectives for revenue for each budget vote		MFMA S 17	CFO/Manager: Revenue
	Make public the Council notice of the adopted SDF in the local media and the provincial Gazette, within 14 days of the date of adoption	Within 14 days after adoption of the Reviewed SDF	SPLUMA – Section 20(3)	Town Planning
	April 2019	Publicise Draft IDP and Budget and invite local community to make written comments in respect of the IDP and Budget	Immediately after tabling before Council	MFMA S22 & MSA S21A
Accounting officer publishes tabled budget, plans, and proposed revisions to IDP and submits to NT, PT and others as prescribed		Immediately after tabling before Council	MFMA S22 & MSA S21A	CFO/IDP/PMS Manager
Review written comments in respect of the Budget and IDP		01 April 2019	Best Practice	CFO/IDP/PMS Manager

CHAPTER 1: MUNICIPAL OVERVIEW

MONTH	ACTIVITIES	DUE DATE	LEGISLATION	RESPONSIBLE PERSON/STRUCTURE
	Conclusion of Sector Plans initiated for the 2019/20 financial year and integration into the IDP Review report			IDP/PMS Manager
	IDP Steering Committee Meeting			IDP/PMS Manager
	Public participation process launched through series of public meetings on the IDP and Budget.			IDP/PMS Manager
	Reprioritisation of community inputs			IDP Steering Committee
	District/Local Municipalities' Alignment of Strategies			IDP/PMS Manager
	Prepare departmental business plans linked to the IDP strategies, objectives, KPI's and targets			IDP/PMS Manager
	Accounting officer assists the Mayor in revising budget documentation in accordance with consultative processes and taking into account the results from the third quarterly review of the current year	30 April 2019	MFMA S21	CFO
	Public meetings on the Draft Budget, Council Debate on Budget and Plans			MM/IDP/CFO
	Q3 Reports tabled to Council (for third quarter of 2018/19)		MPPR Reg. 14	PMS/IDP /MM/CFO
	Refinement of Municipal Strategies, Objectives, KPA's, KPI's and targets and inclusion into 2019/20 IDP Review report			IDP/PMS Manager
	S57 Managers' informal quarterly assessments (for third quarter of 2018/19)			IDP/PMS Manager
	Publicise Annual Report due by April 2019		MFMA S129(3)	IDP/PMS
	Submit Annual Report to DLG/MEC Local Government		MFMA S132(2)	IDP/PMS Manager
	Review annual organisational performance targets		MPPR Reg. 11	MM/IDP/PMS Manager
APPROVAL PHASE				
May 2019	EXCO recommends adoption of the IDP to Council			IDP/PMS Manager

CHAPTER 1: MUNICIPAL OVERVIEW

MONTH	ACTIVITIES	DUE DATE	LEGISLATION	RESPONSIBLE PERSON/STRUCTURE
	Accounting officer assists the Mayor in preparing the final budget documentation for consideration for approval at least 30 days before the start of the budget year taking into account consultative processes and any other new information	01 May 2019		CFO/EM
	Adoption of the IDP by Council	31 May 2019	MFMA S24	IDP/PMS Manager
	Convene IDP Representative Forum			IDP/PMS Manager
	Council to consider approval of budget and plans at least 30 days before start of budget year	31 May 2019	MFMA S23 & 24; MSA Ch 4	CFO
	Council must approve annual budget by resolution, setting taxes and tariffs, approving changes to IDP and budget related policies, approving measurable performance objectives for revenue by source and expenditure by vote before start of budget year	31 May 2019	MFMA S16, 24, 26, 53	CFO/Council
	Community input into municipality's KPIs and targets			PMS/IDP Manager
June 2019	Submission of the Final IDP to DLG			IDP/PMS Manager
	Accounting officer publishes approved budget, plans, and proposed revisions to IDP as prescribed	Within 10 working days after Approval by Council	Budget Reg. 18 & MSA S21A	CFO/IDP/PMS Manager
	Accounting officer submits approved budget, plans, and proposed revisions to IDP and submits to NT, PT and others as prescribed	Within 10 working days after Approval by Council	Budget Reg. 20	CFO/IDP/PMS Manager
	Mayor must approve SDBIP within 28 days after approval of the budget and ensure that annual performance contracts are concluded in accordance with S57 (2) of the MSA		MFMA S 53; MSA S 38-45, 57(2) &	PMS/Manager/Executive Mayor
	Mayor to ensure that the annual performance agreements are linked to the measurable performance objectives approved with the budget and SDBIP. The mayor submits the approved SDBIP and performance agreements to council, MEC for local government and makes public within 14 days after approval			PMS/IDP Manager

CHAPTER 1: MUNICIPAL OVERVIEW

MONTH	ACTIVITIES	DUE DATE	LEGISLATION	RESPONSIBLE PERSON/STRUCTURE
	Accounting officer submits to the mayor no later than 14 days after approval of the budget a draft of the SDBIP and annual performance agreements within one month		MSA S57(1)(b) MFMA S69; MSA S57	PMS/IDP Manager
	Finalise performance contracts			PMS/IDP Manager/MM
	Council adopts budget, resolutions, capital implementation plans, objectives and changes in IDP			CFO/IDP Manager
	Reminder to be sent to HOD's to submit their Q3 SDBIP Reports		MSA S 41	PMS/IDP Manager
INTERGOVERNMENTAL ALIGNMENT				
District/Provincial Alignment	Municipal First Quarter	01 July 2018	30 September 2018	
	District IDP Managers Forum	04 September 2018	04 September 2018	Manager: IDP
	DCF	01 July 2018	30 September 2018	Administrative Services
	Provincial IDP Managers Forum	06 September 2018	07 September 2018	DLG: IDP Directorate
	Municipal Second Quarter	01 October 2018	31 December 2018	
	DCF	01 October 2018	31 December 2018	Administrative Services
	Provincial IDP Managers Forum	06 December 2018	07 December 2018	DLG: IDP Directorate
	Municipal Third Quarter	01 January 2019	31 March 2019	
	DCF	01 January 2019	31 March 2019	Administrative Services
	LGMTEC 2 (Allocations)	31 March 2019	31 March 2019	Provincial Treasury
	IDP Indaba 2	31 March 2019	31 March 2019	DLG: IDP Directorate
	Provincial IDP Managers Forum	07 March 2019	08 March 2019	DLG: IDP Directorate
	Municipal Fourth Quarter	01 April 2019	30 June 2019	
	DCF	01 April 2019	30 June 2019	Administrative Services
	Provincial IDP Managers Forum	06 June 2019	07 June 2019	DLG: IDP Directorate
	Draft IDP Analysis	01 April 2019	30 April 2019	DLG: IDP Directorate
LGMTEC 3	01 May 2019	30 May 2019	Provincial Treasury	

Table 19: Key activities of the IDP, budget and PMS for the 2018/19 IDP process



Chapter 2

CHAPTER 2: GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

Good governance comprises eight 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 minimised, the views of minorities are considered 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 POLITICAL GOVERNANCE STRUCTURE

The Council performs both legislative and executive functions. It focuses on legislative, oversight and participatory roles and has delegated its executive function to the Executive Mayor and the mayoral committee. Its primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as policy makers, councillors are also actively involved in community work and the various social programmes in the municipal area.

2.1.1 Council

The table below categorise the councillors within their specific political parties and wards for the 2018/19 financial year:

Name of councillor	Capacity	Political party	Ward representing or proportional
Ald. A. Steyn	Executive Mayor	DA	Proportional
Cllr. J. Levendal	Deputy Executive Mayor Member of mayoral committee	DA	Proportional
Cllr. N. Mercuur	Speaker	DA	Proportional
Ald. S. Goedeman	Chief whip	DA	19
Cllr. R. Farao	Member of mayoral committee	DA	13
Cllr. J. Kritzinger	Member of mayoral committee	DA	7
Cllr. S. Mei	Member of mayoral committee	DA	Proportional
Cllr. W. Meiring	Member of mayoral committee	DA	15
Cllr. M. Sampson	Member of mayoral committee	DA	11
Cllr. E. Sheldon	Member of mayoral committee	DA	12
Cllr. J. Van Zyl	Member of mayoral committee	DA	Proportional
Cllr. J. von Willingh	Member of mayoral committee: Appointed: Aug 2018	DA	5
Cllr. J. Jack	Councillor	DA	14
Cllr. M. Jacobs Elected on 25 April 2018	Councillor	DA	10
Cllr. J. Jaftha	Councillor	DA	1
Cllr. E. Matjan	Councillor CWDM Representative	DA	9
Cllr. A. Pietersen	Councillor	DA	20
Cllr. P. Ramokhabi	Councillor Member of Mayoral Committee: CWDM	DA	Proportional
Cllr. E. van der Westhuizen	Councillor	DA	6
Cllr. W. Vrolick	Councillor CWDM Representative	DA	Proportional
Cllr. T. Wehr	Councillor	DA	21
Cllr. K. Van Der Horst	Councillor	DA	3

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Name of councillor	Capacity	Political party	Ward representing or proportional
Passed away: 31 July 2018			
Cllr. L. Willemse Elected on: 24 October 2018	Councillor	DA	3
Cllr. M. Bushwana	Councillor	ANC	Proportional
Cllr. E. Isaacs	Councillor	ANC	4
Cllr. P. Langata	Councillor	ANC	2
Cllr. Z. Mangali	Councillor	ANC	16
Cllr. T. Maridi	Councillor	ANC	Proportional
Cllr. P. Marran Became MPL: 15 May 2019	Councillor CWDM Representative	ANC	Proportional
Cllr. S. Mkhwanane	Councillor	ANC	18
Cllr. C. Mohobo	Councillor	ANC	Proportional
Cllr. I. Tshabile	Councillor	ANC	Proportional
Ald. P. Tyira	Councillor	ANC	17
Cllr. M. Williams	Councillor	ANC	8
Cllr. N. Williams	Councillor	ANC	Proportional
Ald. C. Ismail	Councillor	BO	Proportional
Cllr. N. Ismail	Councillor	BO	Proportional
Cllr. C. Wilskut	Councillor CWDM Representative	BO	Proportional
Cllr. N. Wullschleger	Councillor	BO	Proportional
Cllr. V. Mngcele	Councillor	EFF	Proportional
Cllr. J. Robinson	Councillor	PDM	Proportional
Cllr. N. Nel	Councillor	VF+	Proportional

Table 20: Council 2018/19

Below is a table which indicates Council meeting attendance for the 2018/19 financial year:

Meeting dates	Number of items submitted	Percentage Council meeting attendance	Percentage apologies for non-attendance
24 July 2018	11	87.8%	12.1%
23 August 2018	10	82.9%	7.3%
30 October 2018	25	85.3%	2.4%
12 November 2018	12	92.6%	4.8%
03 December 2018	9	82.9%	0
21 January 2019	8	90.2%	9.7%
26 February 2019	10	97.5%	2.4%
26 March 2019	4	85.3%	9.7%
23 April 2019	7	85.3%	14.6
28 May 2019	2	85.3%	9.7%
13 June 2019	14	78%	9.7%

Table 21: Council meetings

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2.1.2 Executive Mayoral Committee

The Executive Mayor of the Municipality, **Alderman A. Steyn** assisted by the mayoral committee, heads the executive arm of the Municipality. The Executive Mayor is at the centre of the system of governance, since executive powers are vested in her to manage the day-to-day affairs. This means that she has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the executive mayor delegated by the Council, as well as the powers assigned by legislation. Although accountable for the strategic direction and performance of the Municipality, the executive mayor operates in collaboration with the mayoral committee.

The name and portfolio of each member of the mayoral committee is listed in the table below for the period 1 July 2018 to 30 June 2019:

Name of Member	Portfolio Holder
Cllr. J. Levendal	Special Projects and Community Safety
Cllr. W. Meiring	Finance
Cllr. M. Sampson	Technical Services
Cllr. S. Mei	Community Development
Cllr. J. Von Willingh	Protection Services
Cllr. J. Van Zyl	Strategic Support Services
Cllr. E. Sheldon	Human Settlement and Housing Development
Cllr. R. Farao	Sport, Recreation and Human Resources
Cllr. J. Kritzinger	Local Economic Development; Arts and Culture & Tourism

Table 22: Executive mayoral committee 2018/19

2.1.3 Committees

Council resolved that there would be the following types of meetings of Council:

- ☞ MayCo that should meet on the third Tuesday of every month to consider the recommendations of the Section 80 Committee and to resolve all matters referred to it in terms of delegated authority; and
- ☞ Council meetings that should meet at least four times a year to resolve matters that have not been delegated to officials or MayCo.

In addition to these meetings, there are Statutory Committee meetings such as the Audit Committee, Performance Audit Committee and Local Labour Forum, which includes the Employment Equity and Training Committee and the Oversight Committee. All committees mentioned met regularly during the year under review.

MayCo is chaired by the Executive Mayor and the Deputy Executive Mayor. In addition, eight "portfolio" councillors, the Chief Whip (ex-officio) and the Speaker (ex-officio) serve on MayCo. BVM does not have portfolio committees, therefore the portfolio councillors on MayCo are responsible for motivating matters applicable to their respective portfolios. Council meets to discuss and rule on legislative compliance issues (only for matters which they cannot delegate such as passing of bylaws, approval of budgets, imposition of rates and other taxes, levies and duties and the raising of loans).

a) **Municipal Public Accounts Committee**

The Municipal Public Accounts Committee (MPAC) is a committee of the Municipal Council, appointed in accordance with Section 79 of the Structures Act. The main purpose of the MPAC is to exercise oversight over the executive functionaries of Council as delegated and to ensure good governance in the municipality.

Breede Valley Municipality	Departments / Sections / Council	Political Party
N. Nel	Chairperson	VF+
T. Wehr	Councillor, Ward 21	DA
M. Bushwana	Councillor; PR	ANC
J. Von Willingh	Councillor; Ward 5: Until August 2018	DA
Replaced by M. Jacobs	Councillor; Ward 10	DA

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Breede Valley Municipality	Departments / Sections / Council	Political Party
J. Jack	Councillor; Ward 14	DA
E. van der Westhuizen	Councillor; Ward 6	DA
W. Vrolick Replaced by L. Willemse	Councillor; PR: Until January 2019 Councillor; Ward 3	DA DA
J. Robinson	Councillor; PR	PDM
C. Wilskut	Councillor; PR	BO
V. Mngcele	Councillor; PR	EFF

Table 23: Municipal Public Accounts Committee

2.1.4 Political decision-taking

Section 53 of the MSA stipulates inter alia the respective roles and areas of responsibility of each political structure and political office bearer of the municipality and of the Municipal Manager. The section below is based on the Section 53 role clarification and was approved at the Council meeting of 25 August 2014 (Council resolution: C37/2014).

Municipal Council

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

Executive Mayor

- ☞ Is the executive and political leader of the municipality and is supported in this capacity by the mayoral 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; and
- ☞ performs the duties and exercise the responsibilities that were delegated to her by the Council.

Mayoral Committee

- ☞ Members are appointed by the Executive Mayor from the ranks of councillors, except for the Deputy Executive Mayor who is elected by the council and is an ex officio member of the mayoral committee;
- ☞ its functional responsibility area is linked to that of the Executive Mayor to the extent that she must operate together with the members of the mayoral committee;
- ☞ its primary task is to assist the Executive Mayor in the execution of her powers - it is in fact an "extension of the Office of Executive Mayor"; and
- ☞ the committee has no powers of its own – decision making remains that of the Executive Mayor.

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The table below provide an analysis of the Council Resolutions taken and implemented during the year:

Number of Council Resolutions taken during the year	Number of Council Resolutions implemented during the year	Number of Council Resolutions not implemented during the year
106	96	10
<i>*Note that some of the Council Resolutions are in process of completion/implementation</i>		

Table 24: Council resolutions taken and implemented during 2018/19

2.2 ADMINISTRATIVE GOVERNANCE STRUCTURE

By law the Municipal Manager is the head of administration, as well as the Accounting Officer. The Municipal Manager has extensive statutory and delegated powers and duties, as well as powers and duties that can be inferred from such statutory and delegated powers and duties.

The Municipal Manager is, amongst others, responsible:

- ☞ for the formation and development of an economical, effective, efficient and accountable administration;
- ☞ to ensure that the municipal “machine” operates efficiently, that the organisational structure can perform the various tasks and exercise the necessary controls;
- ☞ to fulfil a leadership role in the administration; this is of utmost importance to influence the actions of staff and to inspire and persuade them to work together to realise the municipality’s goals;
- ☞ for the implementation of the municipality’s IDP, and the monitoring of progress with implementation of the plan; and
- ☞ for the financial responsibilities as accounting officer as determined by the MFMA.

The Municipal Manager is the chief adviser of the municipality and must advise the political structures and political office-bearers of the municipality. The Municipal Manager must see to the execution of the decisions of the political structures and political office-bearers of the municipality.

The Municipal Manager must facilitate participation by the local community in the affairs of the municipality and must also develop and maintain a system whereby community satisfaction with municipal services is assessed.

He is assisted by his executive management team, whose structure is outlined in the table below:

Name of official	Position	Performance agreement signed
		(Yes/No)
Mr. D. McThomas	Municipal Manager	Yes
Mr. R. Esau	Director: Strategic Support Services	Yes
Mr. J. Steyn	Director: Technical Services	Yes
Mr. R. Ontong	Chief Financial Officer	Yes
Mr. S. Swartz	Director: Community Services	Yes

Table 25: Administrative governance structure

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COMPONENT B: INTERGOVERNMENTAL RELATIONS

It is the intention of the Breede Valley Administration and Council to ensure that the community derives maximum benefit from its participation in inter-governmental forums and meetings.

2.3 INTERGOVERNMENTAL RELATIONS (IGR)

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

2.3.1 Intergovernmental structures

The Municipality participates in the following intergovernmental structures to adhere to the principles of the Constitution:

Name of structure	Members	Outcomes of engagements/topics discussed
National Municipal Manager's Forum	SALGA, MM	To ensure national alignment amongst municipal managers
MinMay Technical	DG Local Gov. provincial departments, municipal managers	To formulate joint strategic, policy and agenda items for the MinMay
MinMay	Executive Mayor and MM	The meeting is between the MEC of Local Government and all the executive mayors in the province to discuss strategic issues
Premier's Co-ordinating Forum	Executive Mayor and MM	Premier's Co-ordinating Forum with the Premier, MEC's and all executive mayors in the province - attended by the Executive Mayor and the Municipal Manager
District Co-ordinating Forum Technical	MM and all other municipal managers in the district	To co-ordinate efforts and discuss strategic alignment and matters of mutual interest (preparations for DCF)
District Co-ordinating Forum (DCF)	Executive Mayor, MM and all other executive mayors and municipal managers	To discuss strategic and policy alignment matters at district level i.e. IDP alignment, shared service functions, transversal matters impacting on all spheres of government, SALGA matters, district specific issues etc. – ensuring joint planning and co-ordination and resource optimisation
SALGA Working Groups	Councillors and Speaker	Joint discussions on policy and service delivery issues
IDP Managers Forum	IDP Manager	To ensure provincial alignment amongst IDP managers
LED Managers Forum	LED Manager	To ensure provincial alignment amongst LED managers
SCM Forum	SCM Manager	To discuss policy and practical issues amongst SCM managers
Provincial Public Participation and Communication Forum (PPPCOM)	Manager: Customer Care, Communication, Corporate Branding & IGR and the Speaker	To ensure provincial alignment and co-operation amongst communication and public participation officials and discuss practical issues
IDP Working Group	IDP Manager	Joint discussion on policy and other practical issues
Provincial Skills Development Forum	Skills Development Facilitator	Joint discussions on skills development and training facilitation
HR Practitioners Forum	HR Manager	To ensure alignment of HR processes and practices in district and provincial context

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Name of structure	Members	Outcomes of engagements/topics discussed
HR Working Group Meeting	SALGA and HR Manager	Joint discussions on HR issues such as collective agreements, HR policies and procedures
<i>The Municipality participates on all SALGA working groups, sectoral committees/forums ie. Municipal Managers Forum, CFO Forum, IDP Forum, SCM Forum, Chief Audit Executive Forum – Western Cape, Risk Managers Forum, Communication Forum, Speakers Forum and Provincial Disaster Management Forum. We are also active participants on all LG MTech structures and IDP Indabas</i>		

Table 26: Intergovernmental structures

2.3.2 Joint projects and functions with sector departments

All the functions of government are divided between the different spheres namely National, Provincial and Local. The Municipality therefore shares their area and community with other spheres of government and their various sector departments and must work closely with national and provincial departments to ensure the effective implementation of various projects and functions. The table below provides detail of such projects and functions:

Name of project/ function	Expected outcome/s of the project	Sector department/s involved	Contribution of sector department
Early Childhood Development (ECD) programmes	Establishment of ECD's in the Breede Valley	Department of Social Development, BVM, Community Development Workers (CDW's)	ECD registrations, funding, applications
CDW Information Sessions	Information sharing with communities	Department of Local Government, CDW's, BVM and relevant departments hosting the info session	Various information being shared on various topics, creating a database of attendees
Initiation programme	Cultural programme to help African boys become men	Department of Cultural Affairs and Sport (DCAS), BVM	Provincial coordination to the programme
Riverview Community Safety Imbizo	To give community members access to information regarding community safety aspects	Worcester SAPS, BVM, Department of Social Development, Department of Education, Worcester Community Police Forum	Providing a platform to engage senior management of the different departments
Touwsrivier Youth Soccer Programme	Holiday programme for the youth of Touwsrivier	DCAS, SAPS, BVM, CWDM	Sport equipment, match officials, catering, medals and trophies
Cape Winelands Drama Festival	Showcase the Finals of the Regional Drama Festival	BVM, CWDM, DCAS	Transport, accommodation
World Drug Day	Creating a platform to speak about drug and related programmes	BVM, Department of Education, SAPS, Civil Society	Transport, information sharing
Phelophepa Community Health Train	Bringing health services closer to the people	Department of Health, BVM, CWDM	Health services, training, job creation
De Doorns Substance Abuse Awareness Programme	Creating awareness on substance abuse	De Doorns CAB, BVM, Department of Health, SAPS	Expert advice, printing of pamphlets
Youth Day June 16	Youth Day celebration	BVM, CWDM, WEEAD, SAPS	Transport, food, programme

Table 27: Joint projects and functions with sector departments

COMPONENT C: PUBLIC ACCOUNTABILITY

MSA Section 15(b) requires a municipality to establish and organise its administration to facilitate a culture of accountability amongst its staff. Section 16(i) states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance. Section 18(i)(d) requires a municipality to supply its community with information concerning municipal governance, management and development.

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; and

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☞ preparation of the municipal budget.

2.4 PUBLIC MEETINGS

2.4.1 Representative forums

a) Labour forums

The table below specifies the members of the labour forum for the 2018/19 financial year:

Name of representative	Capacity	Meeting Dates
D McThomas	Employer Component: Member – Municipal Manager	
R Esau	Employer Component: Member – Director: Strategic Support Services	
R Ontong	Employer Component: Member – Director: Financial Services	
J Steyn	Employer Component: Member – Director: Technical Services	
S Swartz	Employer Component: Member – Director: Community Services	
Councillor J Jack	Employer Component: Member – Chairperson of LLF	
Councillor R Farao	Employer Component: Member	6 July 2018
Councillor W Meiring	Employer Component: Member	3 August 2018
Councillor V Mngcele	Employer Component: Member	7 September 2018
Councillor N Nel	Employer Component: Member	5 October 2018
A Eiman	Union Component: Member	9 November 2018
E Matolla	Union Component: Member	9 December 2018
R Nasson	Union Component: Member	8 February 2019
E Swanepoel	Union Component: Member	8 March 2019
M Visser	Union Component: Member	5 April 2019
W Visagie	Union Component: Member – Deputy Chairperson	3 May 2019
L Louis	Union Component: Member	7 June 2019
C Visagie	Union Component: Member	
A Sithole	Union Component: Member	
W Soldaat	Union Component: Member	
M Nell	Advisor/Operational & Administrative Support – Manager: Human Resources	
H Potgieter	Advisor/Operational & Administrative Support – Senior Manager: Legal Services	

Table 28: Labour forum

In February 2019, Councillor J Jack was elected as the new Chairperson from the Employer's Component and Mr W Visagie from the Union component as the Deputy Chairperson.

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2.4.2 Ward committees

The purpose of a ward committee is:

- ☞ to get better participation from the community to inform Council decisions;
- ☞ to make sure that there is more effective communication between the Council and the community; and
- ☞ to assist the ward councillor with consultation and report-backs to the community.

Ward committees should be elected by the community they serve. A ward committee may not have more than 10 members and women should be well represented. The ward councillor serves on the ward committee and acts as the chairperson. Although ward committees have no formal powers, they advise the ward councillor who makes specific submissions directly to Council. These committees play a very important role in the development and annual revision of the IDP of the area.

The ward committee supports 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 the provision of community information, convening of meetings, ward planning, service delivery, IDP formulation and performance feedback to communities.

The table below indicate the ward committee members for 2016 - 2021, the capacity they are representing, and the number of meetings held during the year for each ward:

Ward	Councilor	Ward Committee Members	Representation	Number of meetings held during the year
Ward 1: The entire community of Touwsrivier, including business and residential areas	Cllr Jaftha	<ol style="list-style-type: none"> 1. A Botes 2. F Davids 3. Z Hass 4. P Herder 5. R Jacobs 6. S Olifant 7. J Scheffers 8. O Schreuders 9. H Smith 10. S Titus 	<ol style="list-style-type: none"> 1. Church 2. Education 3. Small Business 4. Safety 5. Older persons 6. Health 7. Small Farmer 8. Business 9. Sport 10. Youth 	5
Ward 2: De Doorns South, Stofland and adjacent farms	Cllr. Langata	<ol style="list-style-type: none"> 1. N December 2. B Fortuin 3. B Hans 4. N C Jack 5. F Jantjies 6. S F Madolo 7. M Makeleni 8. T Mokhanya 9. M Qoyi 10. N Sixaba 	<ol style="list-style-type: none"> 1. Finance 2. Safety 3. Not indicated 4. Youth 5. Health 6. Agriculture 7. Faith based 8. Small Business 9. Sport 10. Housing 	4
Ward 3: The centre of De Doorns, Hasie Square, Ekuphumleni and adjacent farms areas	Cllr. Willemse	<ol style="list-style-type: none"> 1. W Fuller 2. T Mkasakasa 3. J Morris 4. J Morris 5. M Nomona/ Vacant 6. M Mtuthwana 7. A Nyembe 8. E Plaatjies 	<ol style="list-style-type: none"> 1. Health 2. Social 3. Geographical 4. Geographical 5. Deceased/vacant 6. Youth 7. Housing 8. Geographical 	4

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Ward	Councilor	Ward Committee Members	Representation	Number of meetings held during the year
		9. J Rooi 10. N Rossy	9. Geographical 10. Women	
Ward 4: Section of De Doorns town centre, Orchard and adjacent farm areas	Cllr. Isaacs	1. M Gwe 2. I Khani 3. E Lambrecht 4. M Lebaya 5. P Loggenberg 6. S Prent 7. A Solomon 8. C de Beer 9. J Philander 10. J Toring	1. Transport 2. Health 3. Women 4. Youth 5. Agriculture 6. Sport 7. Housing 8. Safety 9. Infrastructure 10. Faith based	4
Ward 5: De Doorns farming areas including Brandwag, De Wet and Sandhills	Cllr. von Willingh	1. E Eland 2. Vacant 3. L Kula 4. D Libo 5. H Plaatjies 6. I Rangolie 7. S Stendelle 8. Vacant 9. Vacant 10. Vacant	Geographical	2
Ward 6: N1 Worcester entrance, Altona, Tuindorp, Bergsig, Van Riebeeck Park, Panorama, Hospital Hill and Fairway Heights	Cllr. van der Westhuizen	1. J Botha 2. P Burger 3. R Cupido 4. R Kleinhans 5. V le Roux 6. C Opperman 7. H Pool 8. J Saayman 9. C Willemse 10. R Butler	1. Youth 2. Faith based 3. Business informal trade, Tourism 4. Health and Welfare 5. Housing 6. Education 7. Not indicated 8. Community Safety 9. Sport 10. Not indicated	5
Ward 7: Paglande, Meirings Park, Part of Roux Park, De La Bat Way, Fairy Glen and Industrial area	Cllr. Kritzinger	1. E Bakkes 2. T Bester 3. C Botha 4. D de Koker 5. J de Koker 6. J de Witt 7. H Dippenaar 8. R Lennox 9. H Swart 10. M Swart	Geographical	4
Ward 8:	Cllr. Williams	1. N Bodla	Geographical	8

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Ward	Councilor	Ward Committee Members	Representation	Number of meetings held during the year
Part of Zwelethemba		<ol style="list-style-type: none"> 2. T Frans 3. L Kelepu 4. L Khutwana 5. J Makhubalo 6. T Mbenga 7. A Mdyeshana 8. S Ndzima 9. S Nhose 10. N Skomolo 		
Ward 9: Roodewal area and Esselen Park	Cllr. Matjan	<ol style="list-style-type: none"> 1. P Beukes 2. G Daames 3. R L Jooste 4. F Ross 5. P Hansen 6. S van Rhyn 7. P Jansen 8. R Visagie 9. J Visser 10. F Moos 	Geographical	7
Ward 10: Hex Park, Johnsons Park area and Roodewal flats	Cllr. Jacobs	<ol style="list-style-type: none"> 1. A September 2. M Hoffman 3. Vacant 4. Vacant 5. S Kees 6. Vacant 7. Vacant 8. A September 9. L Standaard 	Geographical	7
Ward 11: OVD, Riverview area and Parkersdam	Cllr. Sampson	<ol style="list-style-type: none"> 1. E Ceaser 2. B Harmse 3. E Heradien 4. E Mentza 5. W Pedro 6. I Swanepoel 7. P Titus 8. A Swartbooi 9. B Vlok 10. K Willemse 	Geographical	8
Ward 12: Part of Avian Park, CBD and Russell Scheme	Cllr. Sheldon	<ol style="list-style-type: none"> 1. Vacant 2. A Booysen 3. J Goedeman 4. V Bedworth 	<ol style="list-style-type: none"> 1. Health and Welfare 2. Community Services 3. Sport 4. Community Safety 	7

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Ward	Councillor	Ward Committee Members	Representation	Number of meetings held during the year
		5. E Malan 6. A Spogter 7. S Oktober 8. M Jafta 9. V Lecheko 10. Vacant	5. Housing 6. Infrastructure 7. Woman 8. Senior Citizens 9. Youth 10. Faith based	
Ward 13: Johnsons Park 1, 2 and part of 3, part of Noble Park and Riverview houses	Cllr. Farao	1. G Andrews 2. S Jacobs 3. B Jansen 4. D Lakay 5. C Fielies 6. Vacant 7. A Petersen 8. C Petersen 9. E Porter 10. S Zekoe	Geographical	6
Ward 14: Riverview flats and Victoria Park	Cllr. Jack	1. R Antonie 2. G Micheals 3. H Bekeer 4. F Lourens 5. L Lyners 6. G Maans 7. K Shahabodien 8. D Tim 9. H Williams 10. C Visagie	Geographical	7
Ward 15: Langerug, Worcester West, Somerset Park and Goudini farms	Cllr. Meiring	1. C Basson 2. J Higgs 3. I Jones 4. R Kotze 5. J Meiring 6. J Tole 7. J vd Watt 8. F Willemse 9. P Pieterse 10. W Welgemoed	1. Community Services 2. Health and Welfare 3. Housing 4. Community Safety 5. Infrastructure 6. Women 7. Informal trade, Empowerment & Tourism 8. Sport 9. Not indicated 10. Not indicated	4
Ward 16: Zwelethemba	Cllr. Mangali	1. V Dlikilli 2. L Dnlebe 3. R Kula 4. N Malingo 5. E Msutwana 6. Z Shobe	Geographical	5

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Ward	Councilor	Ward Committee Members	Representation	Number of meetings held during the year
		7. M Singqoto 8. G Taule 9. P Taule 10. S Zukelo		
Ward 17: Zwelethemba	Cllr. Tyira	1. M Funda 2. N Letsona 3. G Mabusela 4. L Makoetlane 5. N Mavata 6. E Nqokolo 7. R Ramakatsa 8. D van Rhyn 9. A Situkutezi 10. G Thungani	Geographical	4
Ward 18: Zwelethemba and farms from Overhex, Nonna	Cllr. Mkhawane	1. S Hans 2. N Jali 3. Y Kuthwana 4. D Maarman 5. N Mangweni 6. N Nkonzo 7. Z Ntsomi 8. N Sihamba 9. L Yavi	Geographical	4
Ward 19: Part of the centre of Rawsonville and outlying farming community	Cllr. Goedeman	1. B Cupido 2. S Pedro 3. D Fredericks 4. G Franse 5. M Goedeman 6. S Bosman 7. P Hendriks 8. A Matthews 9. H Prins 10. Vacant	Geographical	4
Ward 20: Part of the centre of Rawsonville and areas towards N1	Cllr. Pietersen	1. L Bruintjies 2. S de Klerk 3. A Lesley 4. W Mandy 5. J Matthews 6. J Minnaar 7. Vacant 8. G Smit 9. J Rongaon	Geographical	3

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Ward	Councilor	Ward Committee Members	Representation	Number of meetings held during the year
		10. M Williams		
Ward 21: Avian Park and surrounding informal areas	Cllr. Wehr	1. M Adams 2. R Appolis 3. E Bailey 4. K Benjamin 5. C Fransman 6. D Judge 7. E Klaassens 8. F. Masimala 9. Vacant 10. Vacant	Geographical	6

Table 29: Ward Committees for 2016-2021

2.4.3 Functionality of ward committees

The table provides information on the composition and functionality of ward committees:

- ☞ Ward committee meetings held during the year include scheduled meetings between the ward councillor and committee members, including IDP/ward committee engagements as part of the IDP process for the 2018/19 planning year. Currently the number of ward committee meetings are limited to align ward committee meetings to the council resolution of a minimum of four meetings per financial year.
- ☞ Number of reports in the table below does not include IDP/Ward committee engagements for which specific reports are reflected in the IDP minutes.
- ☞ Functionality of ward committees is determined by the active engagements of ward committees with communities on public platforms and direct interactive sessions to improve or create better communities.
- ☞ The challenge that Breede Valley currently experiences is the total lack of activity beyond the four official activities for which Council authorised the processing of payments in the form of stipends. Continuous engagements between the Speaker and the Administration have been undertaken to increase the activity levels of ward committees and stimulate motivation and willingness to drive development in the wards across Breede Valley.

Ward number	Committee established: Yes / No	Number of meetings held during the year
1	Yes	5
2	Yes	4
3	Yes	4
4	Yes	4
5	Yes	2
6	Yes	5
7	Yes	4
8	Yes	8
9	Yes	7
10	Yes	7
11	Yes	8
12	Yes	7
13	Yes	6
14	Yes	7
15	Yes	4

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Ward number	Committee established: Yes / No	Number of meetings held during the year
16	Yes	5
17	Yes	4
18	Yes	4
19	Yes	4
20	Yes	3
21	Yes	6

Table 30: Functioning of ward committees¹

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 many stakeholders involved and the goals by which the institution is governed.

2.5 RISK MANAGEMENT

Risk management is a systematic and formalised process instituted by the municipality to identify, assess, manage, monitor and report risks ensuring the achievement of objectives.

- ☞ In terms of Sections 62(1)(c)(i) and 95(c)(i) of the MFMA the Accounting Officer is required to ensure that the municipality has and maintain effective, efficient and transparent systems of risk management.
- ☞ The main reason for risk management is that the service delivery environment and the public sector's interface with stakeholders have become far more demanding and volatile than before.

The objective of the Risk Management Policy is to assist management and Council to make informed decisions which will:

- ☞ improve the municipality's performance on decision making and planning;
- ☞ provide a sound basis for integrated risk management and internal control as components of good corporate governance;
- ☞ assist management in ensuring more effective reporting and compliance with applicable laws, regulations and other corporate governance requirements; and
- ☞ foster a culture of good governance, ethical conduct, discourage inefficiencies and counter fraud and corruption. Historical ways of doing things are no longer effective as evidenced by several service delivery and general failures. Benefits from risk management are:
 - ☞ more efficient, reliable and cost-effective delivery of services;
 - ☞ minimised waste and fraud; and
 - ☞ more reliable decision making

2.5.1 Top five risks

- ☞ Inadequate disaster risk management and business continuity in infrastructure
- ☞ Insufficient airspace/disposal capacity for solid waste
- ☞ Dysfunctional vehicle and plant fleet
- ☞ Inability to provide a safe and reliable road network
- ☞ Housing demand exceeding housing supply

2.5.2 Action plan to address the top five risks

The table below provides the actions implemented/that will be implemented to address the top five risks:

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Risk	Actions implemented or that will be implemented
Inadequate disaster risk management and business continuity in infrastructure	No actions identified. Maintain controls as recorded in the Strategic Risk Management Report for the period 2018/19
Insufficient airspace/disposal capacity for solid waste	<ul style="list-style-type: none"> 🌀 Completion on the process of application for lifting of heights restriction at landfill sites 🌀 Completion on the construction of material recovery facility, drop-off facilities and satellite station
Dysfunctional vehicle and plant fleet	<ul style="list-style-type: none"> 🌀 Appointment of a Fleet Manager 🌀 Development of a Vehicle Usage Policy
Inability to provide a safe and reliable road network	No actions identified. Maintain controls as recorded in the Strategic Risk Management Report for the period 2018/19
Housing demand exceeding housing supply	No actions identified. Maintain controls as recorded in the Strategic Risk Management Report for the period 2018/19

Table 31: Action plan to address the top five risks

2.5.3 Approved risk policies and strategies

Name of strategy / policy	Developed Yes/No	Date adopted/reviewed
Enterprise Risk Management Policy	Yes	15 June 2019 (Resolution C47/2019)
Enterprise Risk Management Strategy	Yes	15 June 2019 (Resolution C47/2019)

Table 32: Approved risk policies and strategies

2.6 FRAUD PREVENTION

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimise the possibility of fraud and corruption and the MFMA, section 112(1) (m)(i) specify supply chain measures to be enforced to combat fraud and corruption, favouritism 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 minimise the likelihood of corruption and fraud.

2.6.1 Developed strategies

Name of strategy	Developed Yes/No	Date adopted/reviewed
Fraud and Corruption Prevention Policy	Yes	15 June 2019 (Resolution C47/2019)
Fraud Prevention Strategy and Response Plan	Yes	15 June 2019 (Resolution C47/2019)
Code of Ethics Policy	Yes	15 June 2019 (Resolution C47/2019)
Municipal Public Accounts Committee Policy	Yes	25 February 2014 (Resolution C6/2014)
Whistle Blowing Policy	Yes	15 June 2019 (Resolution C47/2019)

Table 33: Strategies

2.6.2 Implementation of strategies ongoing process

The table below provides details of the strategies that will be implemented for anti-corruption and anti-fraud:

Strategies to implement	Key risk areas	Key measures to curb corruption and fraud
Annual restructuring of organogram	Effective and efficient service delivery	<ol style="list-style-type: none"> 1. Alignment of organogram with Performance Management System and SDBIP 2. Productivity and accountability

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Strategies to implement	Key risk areas	Key measures to curb corruption and fraud
		<ol style="list-style-type: none"> 3. Clear job descriptions and standard operating procedures (Focus on Top Layer SDBIP) 4. Functional Local Labour Forum 5. Implementation of Placement Policy Framework 6. Alignment of Minimum Competency Regulations with Recruitment and Selection Policy Framework
Review of delegation register	Roles and responsibilities	<ol style="list-style-type: none"> 1. Alignment of delegation register with latest legislation and restructuring of the organogram, budget and IDP 2. Strict adherence to MGRO processes as identified on the maturity assessment tool introduced by Provincial Treasury
Maintain the whistle blowing toll free number	Fraud prevention	<ol style="list-style-type: none"> 1. Implementation of Declaration of Interests with new appointments 2. Awareness campaigns to be conducted and implemented during the financial year 3. Maintenance of toll-free number created to report incidents of allegations on irregularities and fraud.
Ongoing procurement reference check	Clean administration/fraud prevention	<ol style="list-style-type: none"> 1. Supply Chain Management annual review and monitoring of conflict of interests 2. Ensuring compliance with Regulation 44 of the SCM Regulations

Table 34: Implementation of the strategies

2.7 AUDIT COMMITTEE

2.7.1 Functions of the Audit Committee

BVM's Audit Committee was appointed on 1 July 2017 and 2 additional members were appointed on 1 March 2019. The Audit Committee also fulfils the role of the Performance Audit Committee that was fully functional during the 2018/19 financial year.

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:

- 🌀 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 Internal Audit
- 🌀 To evaluate audit reports pertaining to financial, administrative and technical systems
- 🌀 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
- 🌀 Review the plans of the internal audit function and in so doing, ensure that the plan addresses the high-risk areas and ensure that adequate resources are available.
- 🌀 Provide support to the internal audit function.

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- ☞ 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.

2.7.2 Members of the Audit Committee

Name of representative	Capacity	Meeting dates
J. Gunther	Chairperson	28 August 2018
M. Roos	Member	19 November 2018
J. Williams	Member	18 February 2019
S. Allie	Member	20 May 2019 24 June 2019

Table 35: Members of the Audit Committee

2.7.3 Municipal Audit Committee recommendations

Date of Committee	Matters discussed during 2018/19	Recommendations adopted
28 August 2018	☞ Auditor-General feedback on methodology and approach	5
	☞ Feedback from Risk Management on status of implementation of ERM process	
	☞ Internal Audit annual reporting to Audit Committee	
	☞ Deviations	
	☞ Review of Annual Financial Statements	
19 November 2018	☞ Feedback from Risk Management on status of implementation of ERM process including additional responsibilities managed	6
	☞ Internal Audit quarterly reporting to Audit Committee	
	☞ Review of Performance Management System & Internal Auditing of Performance Information	
	☞ Changes in legislation	
	☞ Status Report: mSCOA implementation	
	☞ Status Report: Combined Assurance implementation	
18 February 2019	☞ Feedback from Risk Management on status of implementation of ERM process including additional responsibilities managed	5
	☞ Internal Audit quarterly reporting to Audit Committee	
	☞ Review of Performance Management System & Internal Auditing of Performance Information	
	☞ Status Report: mSCOA implementation	
	☞ Status Report: Combined Assurance implementation	
20 May 2019	☞ Feedback on BVM Audit Action Plans 2017/18 & Auditor-General interim planning	6
	☞ Feedback from Risk Management on status of implementation of ERM process including additional responsibilities managed	
	☞ Strategic Audit Plan 2018 – 2021 & Inputs to Draft RBAP 2019/20	

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Date of Committee	Matters discussed during 2018/19	Recommendations adopted
24 June 2019	<ul style="list-style-type: none"> ☞ Internal Audit quarterly reporting to Audit Committee 	9
	<ul style="list-style-type: none"> ☞ Review of Performance Management System & Internal Auditing of Performance Information 	
	<ul style="list-style-type: none"> ☞ Progress on the implementation of SAGE HR System 	
	<ul style="list-style-type: none"> ☞ Auditor-General feedback 	
	<ul style="list-style-type: none"> ☞ Reviewed Strategic Audit Plan 2018 – 2021 & RBAP 2019/20 submitted for approval 	
	<ul style="list-style-type: none"> ☞ Status Report: mSCOA implementation 	
	<ul style="list-style-type: none"> ☞ Confirmation of Internal Audit independence 	
	<ul style="list-style-type: none"> ☞ Annual Code of Ethics & Conflict of Interest Declaration for Financial Year 2018/19 	
	<ul style="list-style-type: none"> ☞ Outcome Annual Quality Assurance & Improvement Program Assessment 	
<ul style="list-style-type: none"> ☞ Feedback from Risk Management on status of implementation of ERM process including additional responsibilities managed 		
<ul style="list-style-type: none"> ☞ Approval of Internal Audit Charter 		
<ul style="list-style-type: none"> ☞ Review & Approval of Audit Committee Charter 		

Table 36: Municipal Audit Committee recommendations

2.8 PERFORMANCE AUDIT COMMITTEE

2.8.1 Functions of the Performance Audit Committee

In terms of Regulation 14(4)(a) of the Local Government Municipal and Performance Management Regulations the performance audit committee has 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.

2.8.2 Members of the Performance Audit Committee

Name of Member	Capacity	Experience	Meeting dates
J. Gunther	Chairperson	CIA, CRMA, AGA, Masters in Cost Accounting, BCompt(Hons)	19 November 2018 18 February 2019 20 May 2019
M. Roos	Member	CA(SA), Master of Commerce in Auditing, Higher Diploma Company Law, Qualified Public Sector Chief Financial Manager	
J. Williams	Member	CA(SA)	
S. Allie	Member	Post Graduate Diploma Business Management, ND: Cost Accounting	

Table 37: Members of the Performance Audit Committee

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2.9 INTERNAL AUDIT

Section 165 (2) (a), (b) and (c) of the MFMA requires that the internal audit unit of a municipality must:

- (a) prepare a risk-based audit plan and an internal audit program for each financial year; and
- (b) advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matters relating to:
 - (i) Internal audit;
 - (ii) internal controls;
 - (iii) accounting procedures and practices;
 - (iv) risk and risk management;
 - (v) performance management;
 - (vi) loss control; and
 - (vii) compliance with this act, the annual Division of Revenue Act and any other applicable legislation; and
- (c) perform such other duties as may be assigned to it by the Accounting Officer.

BVM has an in-house Internal Audit Division consisting of the Manager: Internal Audit, two internal auditors, one internal audit clerk and one intern.

2.9.1 Risk register and three-year strategic plan

The annual risk assessment process was performed during April/May 2019 and all strategic risks were populated into a Strategic Risk Register for the municipality. The Strategic Risk Register formed the basis of the 3-year Strategic Audit Plan for 2018-2021. The annual risk assessment was conducted during 2018/19 and the risk register was approved by Council during May 2019 which formed the basis for the 2019/20 annual Risk Based Audit Plan (RBAP).

2.9.2 Annual audit plan

The RBAP for 2018/19 was executed based on the above approach and methodology. 100% of the annual RBAP was implemented with available resources. The table below provides details of audits completed:

BVM – Annual Audit Plan 2018/19		
Description	No of hours estimated	Date completed
Risk based audits		
Fleet Management	320	19 December 2018
Auditing of Performance Information	900	Quarter 4 (2017/18) – 19 November 2018 Quarter 1 (2018/19) – 19 November 2018 Quarter 2 (2018/19) – 29 March 2019 Quarter 3 (2018/19) – 25 April 2019
Governance	280	06 March 2019
Grants – DORA	260	30 June 2019
Overtime Management	280	30 June 2019
Inventory Management	260	09 November 2018
Disaster Risk Management	280	30 June 2019
EPWP	260	30 June 2019
Follow-Up Audits		
Continuous follow-up of Audit Findings	900	Ongoing – 30 June 2019

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BVM – Annual Audit Plan 2018/19		
Description	No of hours estimated	Date completed
Ad Hoc Requests		
mSCOA Implementation	260	20 July 2018
Continuous		
Combined Assurance Implementation	210	30 June 2019
Continuous Monitoring Implementation	210	30 June 2019
Review Strategic Plan & Compile Annual Audit Plan	80	24 June 2019
Junior Internal Audit Assistance, Supervision & Review of Audit Work	580	Ongoing – 30 June 2019
Total hours	5 400	

Table 38: Internal audit coverage plan

Below are the functions of the Internal Audit Division that were performed during the financial year under review:

Function	Date/Number
Risk analysis completed/reviewed	April/May 2019
Reviewed Strategic Audit Plan 2018-2021	24 June 2019
Risk Based Audit Plan approved for 2019/20 financial year	24 June 2019
Internal Audit Programme drafted and approved	24 June 2019
Number of audits/reviews conducted and reported on	12
Audit reports included the following key focus areas:	
Internal controls	12
Accounting procedures and practices	4
Risk and risk management	12
Performance management	4
Loss control	5
Compliance with the MFMA and other legislation	12

Table 39: Internal audit functions

2.10 SUPPLY CHAIN MANAGEMENT (SCM)

SCM includes all processes which need to be followed to procure goods and services. It entails the identification of needs by the end user departments, registration of vendors, processes of obtaining quotes and bids, keeping of inventory and payment of all creditors, councillors and personnel. **All amounts quoted in this paragraph are VAT inclusive, where VAT is applicable.**

2.10.1 Competitive bids more than R200 000

a) Bid Committee meetings

The following table details the number of bid committee meetings held for the 2018/19 financial year:

Bid specification committee	Bid evaluation committee	Bid adjudication committee
117	84	24

Table 40: Bid Committee meetings

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The attendance figures of members of the Bid Specification Committee are as follows:

Member	Percentage attendance
Manager: Procurement	39.32
Relevant technical expert(s) responsible for a function(s)	94.87

Table 41: Attendance of members of Bid Specification Committee

The attendance figures of members of the Bid Evaluation Committee are as follows:

Member	Percentage attendance
Manager: Procurement	44.05
Relevant technical expert(s) responsible for a function(s)	90.48

Table 42: Attendance of members of Bid Evaluation Committee

The attendance figures of members of the Bid Adjudication Committee are as follows:

Member	Percentage attendance
Director: Financial Services (Chairperson)	100
Director: Technical Services	95.83
Director: Community Services	100
Director: Strategic Support Services	100
Senior Manager: Supply Chain Management	100

Table 43: Attendance of members of Bid Adjudication Committee

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

b) Awards made by the Bid Adjudication Committee

The Bid Adjudication Committee **awarded 48 bids** with an estimated value of **R105 350 709.50**.

The ten highest bids awarded by the Bid Adjudication Committee are as follows:

Bid number	Title of bid	Directorate	Successful bidder	Value of bid awarded (R)
BV729/2018	Construction of a Shared Economic Infrastructure Facility (SEIF) for informal traders and pedestrian facilities in Zwelethemba	Office of the MM	WJ Bou en Siviele Ingenieurs Kontrakteurs cc	5 944 930.75
BV741/2018	Supply and delivery of water purifying chlorine for the period ending 30 June 2021	Technical Services	Chlorcape (Pty) Ltd	5 453 122.38
BV701	Rental of multi-functional office machines (inclusive of related services) for a period not more than 3 years (36 months)	Strategic Support Services	Konica Minolta SA (Pty) Ltd	5 278 215.58
BV693	Provision of security services for a period not exceeding three (3) years	Community Services	G4S Secure Solutions SA (Pty) Ltd	2 319 014.88
			Securitem (Pty) Ltd	2 771 547.84

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Bid number	Title of bid	Directorate	Successful bidder	Value of bid awarded (R)
BV722/2018	Supply and delivery of combination high pressure water and vacuum drain cleaning machine onto a single chassis	Technical Services	Shorts Nissan cc	3 800 505.79
BV703	Supply and delivery of 4x4 truck with hydraulic crane and accessories (pole manipulator and aerial platform)	Technical Services	Truck City (Pty) Ltd	3 438 567.00
BV613	Rendering of the street cleaning services (inclusive of open spaces) within the Worcester CBD for the period ending 30 June 2020	Technical Services	Adendorff General Trading	3 154 633.90
BV711	Supply and delivery of backhoe loaders	Technical Services	Tumelo Fleet Solutions (Pty) Ltd	2 711 967.50
BV671/2019	Supply, delivery, installation and commissioning of HV switchgear at the Gasnat substation, Worcester	Technical Services	Ampcor Khanyisa (Pty) Ltd	2 317 243.34
BV721/2018	Water pipeline replacement through trenchless technology in De Doorns	Technical Services	Tuboseal Services (Pty) Ltd	1 759 773.25

Table 44: Ten highest bids awarded by Bid Adjudication Committee

c) Awards made by the Accounting Officer

In terms of paragraph 5(2)(a) of Council's SCM Policy, only the Accounting Officer may award a bid which is more than R10 million. The power to make such an award may not be sub-delegated by the Accounting Officer. The bids awarded by the Accounting Officer are as follows:

Bid number	Title of bid	Directorate	Successful bidder	Value of bid awarded (R)
BV753/2018	Construction of a Material Recovery Facility at Worcester	Technical Services	Amandla GCF Construction cc	29 920 127.28
BV730/2018	Supply, Installation and Management of a STS Compliant Prepayment Electricity Vending System for a period ending 30 June 2021	Technical Services	Syntell (Pty) Ltd	26 613 922.95
BV755/2019	Resurfacing of Municipal Roads for the period ending 30 June 2021	Technical Services	Imvula Roads and Civils (Pty) Ltd	26 566 755.15
BV716/2019	Short Term Insurance Services for the for the period ending 30 June 2022	Financial Services	Marsh (Pty) Ltd	14 310 539.41
BV772/2019	Group Life Insurance Scheme (inclusive of an Optional Funeral Cover) for the period ending 30 June 2022	Strategic Support Services	Verso Financial Services (Pty) Ltd	11 356 683.54

Table 45: Awards made by Accounting Officer

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d) *Appeals lodged by aggrieved bidders*

Fourteen (14) appeals were lodged by aggrieved bidders on awards made in terms of Section 62(1) of the MSA, which relate to the following tenders:

Tender No	Description	Date of finalization of the appeal
BV656	Supply, delivery, off-loading and erection of high mast lights in Breede Valley Municipal area (Worcester, De Doorns)	4 July 2018
BV696	Supply, delivery, installation and commissioning of a human resource management system, payroll system as well as a time and attendance system (inclusive of support services) for a period not exceeding three (3) years	27 July 2018
BV693	Provision of security services for a period not exceeding three (3) years	12 September 2018
BV701	Rental of multi-functional office machines (inclusive of related services) for a period not more than 3 years (36 months)	30 October 2018
BV613	Rendering of the street cleaning services (inclusive of open spaces) within the Worcester CBD for the period ending 30 June 2020	10 December 2018
BV701	Rental of multi-functional office machines (inclusive of related services) for a period not more than 3 years (36 months)	21 January 2019
BV730/2018	Supply installation and management of an STS compliant prepayment electricity vending system for a period ending 30 June 2021	21 January 2019
BV731/2019	Rental of plant, machinery and vehicles for a period ending 30 June 2019	14 March 2019
BV717/2018	Supply and delivery of protective clothing for the period ending 30 June 2021	16 April 2019
BV761/2019	Upgrading of Springveldt link	15 May 2019
BV771/2019	Construction of pedestrian bridge in Touwsrivier	15 May 2019
BV762/2019	Implementation of revenue enhancement strategy (including data cleansing) for the period ending 30 June 2021	12 June 2019
BV772/2019	Group life insurance scheme (inclusive of an optional funeral cover) for the period ending 30 June 2022	21 June 2019
BV716/2019	Short term insurance services for the for the period ending 30 June 2022	25 June 2019

Table 46: Appeals lodged by aggrieved bidders

The total premium paid during the 2018/19 financial year to promote specific socio-economic goals as set out in the Preferential Procurement Regulations of 2017, was R3 371 779.

2.10.2 *Formal written price quotations between R30 000 and R200 000*

a) *Awards made to the companies/enterprises established within the Breede Valley Municipal Area*

The following table outlines the value of all quotations awarded to enterprises and contractors who are based within the jurisdiction of the Breede Valley Municipal area, for the period 1 July 2018 to 30 June 2019:

Month	Total Orders (R)	Local Companies (R)
July 2018	662 600.50	168 000.00
August 2018	2 621 905.12	541 098.56
September 2018	2 428 747.51	370 334.00
October 2018	3 742 384.86	637 063.74
November 2018	2 789 142.47	531 306.39
December 2018	2 918 198.47	285 520.00
January 2019	2 001 353.25	378 199.63
February 2019	3 883 457.70	1 606 327.27
March 2019	2 824 101.24	301 776.79

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Month	Total Orders (R)	Local Companies (R)
April 2019	5 284 922.95	438 977.00
May 2019	6 184 173.19	1 014 557.32
June 2019	4 064 781.87	525 980.78
Total:	41 365 073.68	6 799 141.98
Percentage (%)-	16.44	

Table 47: Awards made to local companies

2.10.3 Deviations 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 **R23 726 505.40** were approved by the Accounting Officer. The following table provides a summary of deviations approved for the 2018/19 financial year:

Type of deviation	Number of deviations	Value of deviations (R)	Percentage of total deviations value (%)
Emergency	4	143 904.11	0.61
Sole provider	2	16 985.76	0.07
Acquisition of animals for zoos	0	0.00	0
Acquisition of special works of art or historical objects where specifications are difficult to compile	0	0.00	0
Impractical to follow the normal procurement process	68	23 565 615.53	99.32
Total Deviations	74	23 726 505.40	100

Table 48: Summary of deviations

Deviations from the normal procurement processes have been monitored closely since the start of the financial year. Monthly reporting in terms of paragraph 36 of the SCM Policy has been complied with. A large number and amount of deviations has been caused by instances where it was impractical to follow a normal procurement process.

2.10.4 Logistics management

The system of logistics management must ensure the following:

- ☞ the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
- ☞ the setting of inventory levels that include 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; and

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☞ monitoring and reviewing of the supply vendor performance to ensure compliance with specifications and contract conditions for goods or services.

Each stock item at the municipal stores in Market Avenue is coded and listed on the financial system. Monthly monitoring of issues and receipts patterns is 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 for them to order stock more than the normal levels.

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

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

The value of the slow-moving items increased from R2 622 500 (2017/18) to R3 207 696 (2018/19) at 30 June 2019, an increase of 22.31%. Damaged stock is valued at R26 136 redundant stock at R177 387 and GRAP.12 inventory (stock capitalised) at R10 922 810.

2.10.5 Disposal management

The system of disposal management must ensure the following:

- ☞ Immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;
- ☞ Movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;
- ☞ Firearms are not sold or donated to any person or institution within or outside the Republic, unless approved by the national conventional arms control committee;
- ☞ Immovable property is let at market related rates except when the public interest or 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; and
- ☞ In the case of the free disposal of computer equipment, the provincial Department of Education is approached first to indicate within 30 days whether any of the local schools are interested in the equipment.

We are complying with Section 14 of the MFMA which deals with the disposal of capital assets.

2.10.6 Performance management

The SCM Policy requires that an internal monitoring system be established and implemented to determine, based on retrospective analysis, whether the SCM processes were followed and whether the objectives of the SCM Policy were achieved.

Monitoring of internal processes is an ongoing process. Procedure manuals for various SCM processes have been developed, approved and are being implemented. Regular reporting of appeals received by aggrieved bidders are also done to measure the performance of the bid specification and bid evaluation committees.

During the 2018/19 financial year, no company was prohibited from doing business with the Municipality.

Three of the most important key performance indicators in the SCM unit, is that of turnaround time from the date that requests are received from departments until bids are adjudicated and awarded.

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The following table details the performance for each of these key performance indicators:

Key performance indicator	2017/18 Achievement	2018/19 Achievement	Remarks
Quotations between R0 – R2 000	3 days	In excess of 3 days	Increase in SCM legislative and reporting requirements. Increase in number of days where officials are out of office due to exams. Staff compliment remains unchanged. Departmental SCM procurement strategies needs to be reviewed in order to reduce the volumes of request below R2000.
Quotations between R2 000 – R30 000	6 days	In excess of 6 days	Increase in SCM legislative and reporting requirements. Increase in number of days where officials are out of office due to exams. Staff compliment remains unchanged. Departmental SCM procurement strategies needs to be reviewed in order to reduce the volumes of request below R30000
Quotations between R30 000 – R200 000	14 days	In excess of 14 days	Increase in SCM legislative and reporting requirements. Increase in number of days where officials are out of office due to exams. Staff compliment remains unchanged. Departmental SCM procurement strategies needs to be reviewed in order to reduce the volumes of request below R200000
Competitive bidding system (tenders)	10 weeks	In excess of 10 weeks	Increase in SCM legislative and reporting requirements. Increase in number of days where officials are out of office due to exams. Staff compliment has reduced with 40% due to resignations

Table 49: SCM performance indicators

2.10.7 Procurement and contract management

We have complied with SCM Regulation 6(3) for the 2018/19 financial year. These reports were submitted in a timely manner to the Chief Financial Officer, the Accounting Officer, as well as the Executive Mayor.

2.10.8 Procurement and contract management – Suppliers not registered for VAT

VAT registration numbers of suppliers are indicated on a VAT 103 form that is issued by SARS. We can also confirm a VAT number that appears on an original tax clearance certificate. The unit has access to a VAT number validity function which is available on the SARS website. It is easily accessible and is currently utilised.

2.10.11 Procurement and contract management – Monitoring of contracts not done monthly

The SCM Unit established a new sub-unit namely the Contract Management Office during 2018/19, which primarily focused on SCM Contracts above R200 000, which are procured through an SCM processes. The following objectives were set and achieved for the 2018/19 financial year:

- ☞ The Breede Valley contract management function to be centralised into the Contract Management Office, reporting to the Manager Procurement;
- ☞ Aligning the contract management procedures and systems with the rest of the SCM functions and Expenditure Department;
- ☞ Formalise and implement a new Contract Management Framework which already forms part of the SCM Policy;
- ☞ All contracts resulting from SCM Paragraph 36 Deviations above a value of R100 000 (incl. VAT) and formal written quotations were monitored additionally during the 2018/19 financial year;

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- 🌀 The implementation of an electronic Contract Management System, Electronic SCM Archive;
- 🌀 The implementation of a full electronic purchasing system;
- 🌀 Once the system is fully implemented, monthly reports will be distributed to all contract champions on the contract status of SCM contracts;
- 🌀 Control and safekeeping of contract documents, in conjunction with the records department, have been improved and will be further enhanced with an electronic system in the new financial year (2019/20);
- 🌀 With the establishment and inclusion of the Contract Management function within SCM, performance management on all contracts were monitored and reported to the executive management on a monthly basis;
- 🌀 Contracts of a repeatable nature, due to its nature to provide continuous service delivery, were monitored by the office and notifications for renewal were sent 6 months prior to the end date of the contract to contract champions;
- 🌀 Repeatable contracts were also included in the new Demand Management Plan for the 2019/20 financial year; and
- 🌀 Regular monitoring and review of the supplier vendor performance to ensure compliance with specifications and contract conditions for particular goods or services, was conducted.

The following table illustrates the status of contracts during the 2018/19 financial year:

Status	Quantity
Active contracts	113
Expired contracts	34
Cancelled contracts	0
Extended contracts	1

Table 50: Status of contracts as at 30 June 2019

2.11 POLICIES

Section 11 of the MSA gives a Municipal Council the executive and legislative authority to pass and implement bylaws and policies.

Below is a list of all the policies developed and reviewed during the financial year:

Policies developed/revised	Date adopted	Resolution Number
Acting Allowance	24 July 2018	C59/2018
Asset Management	26 March 2019	C22/2019
Attendance and Punctuality	24 July 2018	C59/2018
Borrowing	26 March 2019	C22/2019
Budget Implementation and Management	26 March 2019	C22/2019
Budget Veriment	26 March 2019	C22/2019
Code of Ethics	13 June 2019	C46/2019
Combined Assurance Framework	13 June 2019	C46/2019
Costing	26 March 2019	C22/2019
Credit Control and Debt Collection	26 March 2019	C22/2019
Enterprise Risk Management	13 June 2019	C46/2019
Enterprise Risk Management Strategy	13 June 2019	C46/2019
Expanded Public Works Programme	23 August 2018	C70/2018
Financial System User Account Management	26 March 2019	C22/2019
Fraud and Corruption	13 June 2019	C46/2019
Fraud and Corruption Strategy	13 June 2019	C46/2019
Funding and Reserves	26 March 2019	C22/2019

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Policies developed/revised	Date adopted	Resolution Number
Infrastructure Investment and Capital Projects	26 March 2019	C22/2019
Insurance Management	26 March 2019	C22/2019
Long Term Financial Plan	26 March 2019	C22/2019
Membership and Registration of Dependants on Accredited Medical Schemes	24 July 2018	C59/2018
Occupational Health and Safety	24 July 2018	C59/2018
Overtime	24 July 2018	C59/2018
Personnel Protective Equipment	24 July 2018	C59/2018
Petty Cash	26 March 2019	C22/2019
Private work and Declaration of Interests	24 July 2018	C59/2018
Property Rates	26 March 2019	C22/2019
Records Management	26 February 2019	C19/2019
Recruitment and Selection	24 July 2018	C59/2018
Relocation	24 July 2018	C59/2018
Supply Chain Management	26 March 2019	C22/2019
Tariff	26 March 2019	C22/2019
Telecommunications	24 July 2018	C59/2018
Tools of Trade	23 August 2018	C69/2018
Transport Allowance	13 June 2019	C48/2019
Ward Committee	13 June 2019	C43/2019
Ward Committee Project Funding	13 June 2019	C47/2019
Whistle Blowing	13 June 2019	C46/2019
Writing-off	26 March 2019	C22/2019

Table 51: Policies

2.12 WEBSITE

The Municipality developed and maintained a functional website that displays relevant information as per the requirements of Section 75 of the MFMA and Sections 21A and B of the MSA as amended.

The website serves as a mechanism to promote accountability and transparency to communities. It is a key communication mechanism in terms of service offering, information sharing and public participation. A website is a communication tool that allows easy and convenient access to relevant information and is an integral part of the Municipality's communication strategy.

The information and documents that were published on our website include the following:

Description of information and/or document	Yes/Date Published
Municipal contact details (Section 14 of the Promotion of Access to Information Act)	
Full Council details	23 May 2017
Contact details of the Municipal Manager	23 May 2017
Contact details of the CFO	23 May 2017
Physical address of the Municipality	Yes
Postal address of the Municipality	Yes
Financial Information (Sections 53, 75, 79 and 81(1) of the MFMA)	
Draft Budget 2018/19	04 April 2018

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Description of information and/or document	Yes/Date Published
Adjusted Budget 2018/19	27 August 2018
Asset Management Policy	8 August 2018
Customer Care, Credit Control and Debt Collection Policy	8 August 2018
Funds and Reserves Policy	8 August 2018
Rates Policy	8 August 2018
Supply Chain Management Policy	8 August 2018
Tariff Policy	8 August 2018
Virement Policy	8 August 2018
Petty Cash Policy	8 August 2018
Long Term Financial Policy	8 August 2018
Borrowing Policy	8 August 2018
SDBIP 2018/19	21 June 2018
IDP and Public Participation (Section 25(4)(b) of the MSA and Section 21(1)(b) of the MFMA)	
IDP Process Plan for 2018/19	28 August 2018
Supply Chain Management (Sections 14(2), 33, 37 and 75(1)(e) and (f) and 120(6)(b) of the MFMA and Section 18(a) of the National SCM Regulation)	
List of capital assets that have been disposed	N/A
Reports (Sections 52(d), 71, 72 and 75(1)(c) and 129(3) of the MFMA)	
Annual Report of 2017/18	10 January 2019
Oversight reports	10 January 2019
Mid-year budget and performance assessment	Yes
Quarterly Reports	Yes
Performance Management (Section 75(1)(d) of the MFMA)	
Performance Agreements for employees appointed as per S57 of MSA (2018/19)	3 September 2018
Assurance Functions (Sections 62(1), 165 and 166 of the MFMA)	
Audit Committee Charter	22 February 2017
Risk Management Policy	22 February 2017

Table 52: Website checklist

2.13 COMMUNICATION

BVM's communication function is aligned with and supports the IDP. It informs and engages the public in terms of developmental local government principles. Communication is regarded as an integral part of public participation, serving as the vehicle by which public participation is enabled. It involves the provision of customer orientated services and building capacity for citizens to provide the municipality with feedback to improve these services.

Council acknowledges the right of the community to participate in governance and encourages communities to play an active role in the development of their areas. Local government has moved away from exercising power over people to a position where they share power with people.

Council regards the people of the Breede Valley as strategic partners in the development of the area and encourages communities to become part of the solutions for the challenges facing the Breede Valley. Although legislation regulates the relationship between local government and the community, BVM regards this partnership to be based on openness, respect and trust, rather than mandatory.

The following actions were undertaken to involve the community of the Breede Valley in governance and to inform the public on Council activities:

- 🌀 Regular media feedback – print, electronic and social media
- 🌀 Greater focus on social media interaction

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- 🌀 IDP meetings
- 🌀 Placement of information including all compliance documents in terms of MFMA on municipal webpage
- 🌀 Ward committee meetings
- 🌀 Service delivery Jamboree in the four towns of the Breede Valley
- 🌀 Thusong outreaches
- 🌀 Newsletters
- 🌀 Pamphleteering and social media to disseminate information on service delivery
- 🌀 Save water campaign
- 🌀 Social media campaign to highlight, explain and address service delivery issues such as cable theft, illegal dumping of rubbish, damage to sewerage system due to ignorance and deliberate sabotage of the system and vandalism of municipal infrastructure
- 🌀 In loco inspections in the different wards by senior personnel to familiarise themselves of problems in communities and pre-empt possible challenges in future.
- 🌀 Development of new corporate identity and webpage (in progress)

The tables below are a communication checklist of the compliance to the communication requirements:

2.13.1 Communication activities

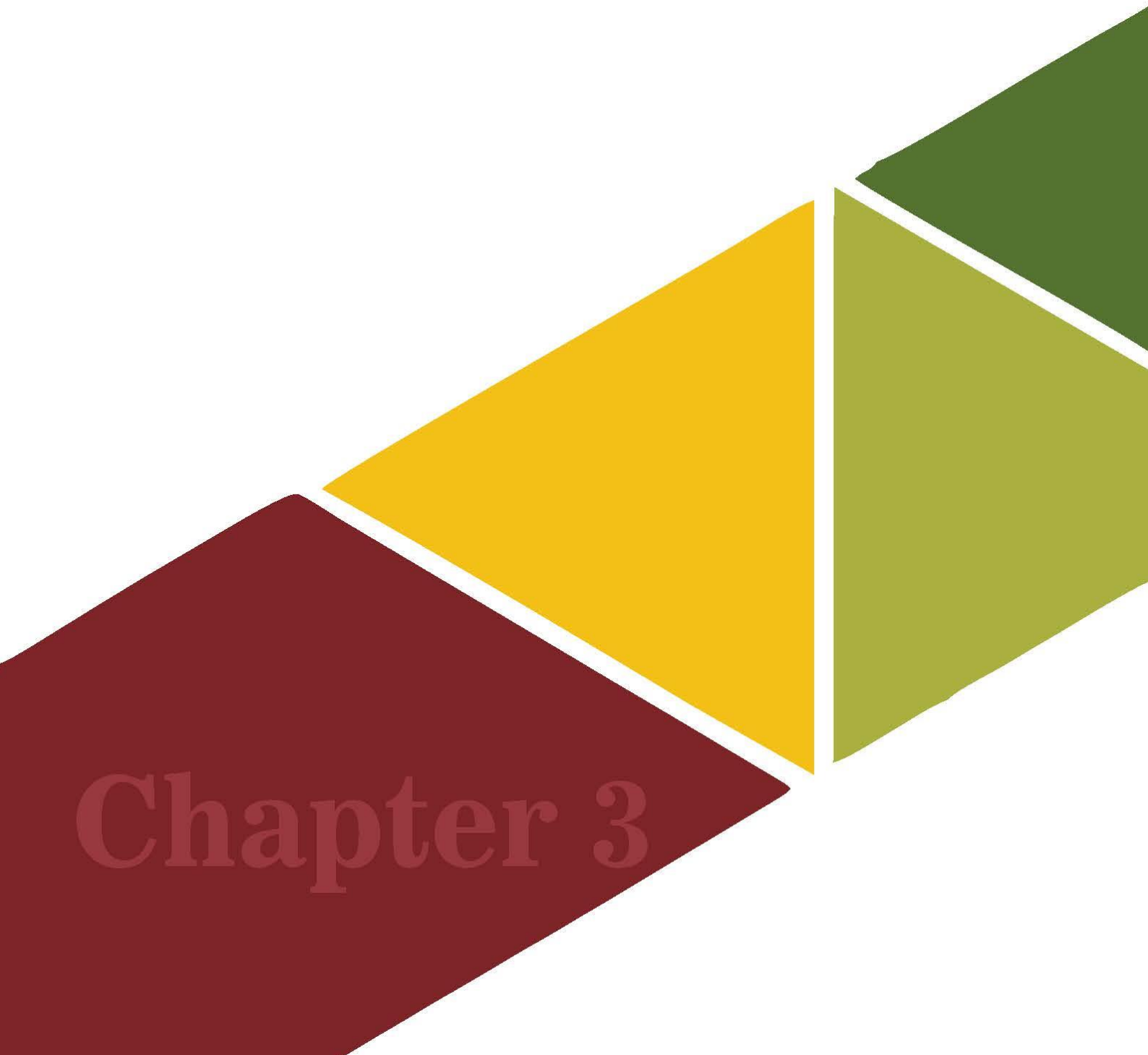
Communication activities	Yes/No	Date Approved/Completed
Communication Strategy	Yes	October 2013
Communication Policy	Yes	October 2013
Functional complaint management systems	Yes	November 2014

Table 53: Communication activities

2.13.2 Communication unit

	Yes/No	Number of people in the Unit	Job titles
Communication Unit	Yes	4	Manager: Customer Care, Communication, Corp Branding and IGR
			Senior Communication Officer (Head of Communication)
			Marketing Officer
			Translator

Table 54: Communication unit



Chapter 3

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

3.1 PERFORMANCE MANAGEMENT

Performance management is prescribed by Chapter 6 of the MSA and the Municipal Planning and Performance Management Regulations, 796 of August 2001. Section 7 (1) of the aforementioned regulation states that “A municipality’s performance management system entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the responsibilities of the different role players.” This framework, *inter alia*, reflects the linkage between the IDP, budget, SDBIP, individual and service provider performance. The municipality adopted a Performance Management Framework and Policy that was approved by Council on the 20 March 2018.

3.1.1 Organisational performance

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

- ☉ The 2018/19 Top Layer SDBIP was approved by the Mayor on 20 June 2018 and the information was loaded on an electronic web-based system.
- ☉ The web-based system sends automated e-mails to the users of the system as a reminder to all staff responsible for updating their actual performance against key performance indicator targets by the 20th of every month for the previous month’s performance.
- ☉ Additionally, the performance system administrator circulates monthly reminders to remind all departments to update their actual performance on the web-based system.
- ☉ The actual results against monthly targets set, are discussed in the monthly management meetings to determine early warning indicators and discuss corrective measures if needed.
- ☉ The first quarterly report on the implementation of the budget was approved by the Mayor in October 2018 and served before Council on 30 October 2018. The second quarterly report formed part of the Section 72 report in terms of the MFMA, which was submitted to the Mayor for approval during January 2019 and served before Council on 21 January 2019. The third quarterly report was approved by the Mayor in April 2019 and served before Council on 23 April 2019. The fourth quarterly report was approved by the Mayor in July 2019 and served before Council on 23 July 2019.
- ☉ Internal Audit component audits the performance measurements of the Municipality on a continuous basis as prescribed by the relevant legislation, which includes submission of reports on a quarterly basis to the Municipal Manager and Performance Audit Committee.
- ☉ The Performance Audit Committee reviews the Municipality’s performance management system, which includes the quarterly reports produced and submitted by Internal Audit. The quarterly reports were submitted to the committee on 19 November 2018, 18 February 2019 and 20 May 2019.

3.1.2 Individual performance

a) **Municipal Manager and managers directly accountable to the Municipal Manager**

The MSA prescribes that the municipality must enter into performance-based agreements with S57-employees and that performance agreements must be reviewed annually. This process and the format is further regulated by Regulation 805 (August 2006). The performance agreements for the 2018/19 financial year were signed within a month after the commencement of the new financial year (i.e. before 31 July 2019) as prescribed by legislation.

The appraisal of the actual performance in terms of the signed agreements takes place twice per annum as regulated. The final evaluation of the 2017/18 financial year (1 January 2018 to 30 June 2018) took place on 4 October 2018 and the mid-year performance of 2018/19 (1 July 2018 to 31 December 2018) on 13 February 2019. The final evaluation pertaining to the 2018/19 financial year has been scheduled for the 12th of September 2019.

The appraisals were conducted by an evaluation panel as indicated in the signed performance agreements and consisted of the following people:

- ☉ Executive Mayor
- ☉ Municipal Manager
- ☉ External Municipal Manager
- ☉ Chairperson of the Audit Committee
- ☉ Mayoral Executive Committee members
- ☉ PM unit provided administrative and logistical support

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Internal audit monitored that the process was fair and transparent and conforming to relevant legal prescripts.

b) *Other Municipal Personnel*

The Municipality is in process of implementing individual performance management to lower level staff in annual phases. Performance Improvement Plans are drafted by each directorate after the mid-year performance review. Actual results versus performance targets are discussed in monthly management meetings to identify areas of underperformance for lower level staff.

3.2 THE IDP AND THE BUDGET

The 1st review of the 4th generation IDP for 2017/22, which encapsulates and elaborates on the strategic planning perspectives for 2018/19, was approved on 29 May 2018 (Resolution number C44/2018) whilst the budget for 2018/19 was also approved by Council on 29 May 2018 (Resolution number C45/2018). The IDP process and the performance management process are integrated. The IDP fulfils the planning stage of performance management. Performance management in turn, fulfils the implementation, management, monitoring and evaluation of the IDP.

3.2.1 *Strategic alignment*

The table below provides an analysis of the budget allocation per strategic objective (Opex excludes internal transfers):

Strategic objective	Capital Budget		Operational Budget (Opex)	
	Total budget	Total actual expenditure	Total budget	Total actual expenditure
	R			
To provide, maintain and assure basic services and social upliftment for the Breede Valley community	224 256 570	226 634 296	666 677 475	662 074 135
To create an enabling environment for employment and poverty eradication through proactive economic development and tourism	0	0	6 842 523	5 364 090
To ensure a safe, healthy, clean and sustainable external environment for all the residents in the Breede Valley	797 933	797 931	155 980 752	113 825 116
Provide democratic, accountable government for local communities and encourage involvement of communities and community organisations in the matters of local government	33 529 641	31 908 280	94 320 122	91 733 933
Ensure a healthy and productive workforce and an effective and efficient work environment	1 950 110	1 950 110	12 539 153	13 192 040
Assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practices	1 480 534	920 999	72 194 123	60 537 420
Total	262 014 788	262 211 616	1 008 554 148	946 726 734

Table 55: Budget spending per strategic objective

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

3.3 INTRODUCTION TO SERVICE DELIVERY PERFORMANCE

This chapter provides an overview of the key service achievements of the municipality that came to fruition during 2018/19 in terms of the deliverables achieved compared to the key performance objectives and indicators in the IDP. It furthermore includes an overview on achievement in 2018/19 compared to actual performance in 2017/18.

3.4 STRATEGIC SDBIP (TOP LAYER)

3.4.1 Performance indicators set in the approved Top Layer SDBIP for 2018/19 per strategic objective

- a) **Assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practices**

Ref	KPI	Unit of Measurement	Wards	2017/18		Target for 2018/19				
				Target	Actual performance	Q1	Q2	Q3	Q4	Annual
TL16	Provide free basic water to indigent households earning less than R4500 as at 30 June 2019	Number of indigent households receiving free basic water	All	7 860	8 053	0	0	0	8 100	8 100
TL17	Provide free basic electricity to indigent households earning less than R4500 as at 30 June 2019	Number of indigent households receiving free basic electricity	All	7 860	8 053	0	0	0	8 100	8 100
TL18	Provide free basic sanitation to indigent households earning less than R4500 as at 30 June 2019	Number of indigent households receiving free basic sanitation	All	7 860	8 053	0	0	0	8 100	8 100
TL19	Provide free basic refuse removal to indigent households earning less than R4500 as at 30 June 2019	Number of indigent households receiving free basic refuse removal	All	7 860	8 053	0	0	0	8 100	8 100
TL20	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2019 (Short Term Borrowing + Long Term Borrowing) / Total Operating Revenue - Operating Conditional Grant	% of debt coverage	All	45%	22.13%	0%	0%	0%	45%	45%

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Ref	KPI	Unit of Measurement	Wards	2017/18		Target for 2018/19				
				Target	Actual performance	Q1	Q2	Q3	Q4	Annual
TL21	Financial viability measured in terms of the outstanding service debtors as at 30 June 2019 ((Total outstanding service debtors/ revenue received for services)X100)	% of outstanding service debtors	All	16%	15.15%	0%	0%	0%	15.90%	15.90%
TL22	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2019 ((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	2.4	1.57	0	0	0	2.4	2.4
TL25	Submit the approved financial statements for 2017/18 to the Auditor-General by 31 August 2018	Approved financial statements for 2017/18 submitted to the AG	All	1	1	1	0	0	0	1
TL26	Achieve a payment percentage of above 95% as at 30 June 2019 (Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue) x 100	% Payment achieved	All	95%	100.31%	0%	0%	0%	95%	95%
TL32	The percentage of the municipal capital budget spent on projects as at 30 June 2019 (Actual amount	% of the municipal capital budget spent	All	95%	78.35%	0%	0%	0%	95%	95%

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Ref	KPI	Unit of Measurement	Wards	2017/18		Target for 2018/19				
				Target	Actual performance	Q1	Q2	Q3	Q4	Annual
	spent on capital projects/Total amount budgeted for capital projects)X100									

Table 56: Top Layer SDBIP targets set for 2018/19: Assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practices

b) Ensure a healthy and productive workforce and an effective and efficient work environment

Ref	KPI	Unit of Measurement	Wards	2017/18		Target for 2018/19				
				Target	Actual performance	Q1	Q2	Q3	Q4	Annual
TL36	Number of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan during the 2018/19 financial year	Number of people employed in the three highest levels of management	All	1	2	0	0	0	1	1
TL37	The percentage of the municipality's personnel budget spent on implementing its workplace skills plan by 30 June 2019 [(Actual amount spent on training/total personnel budget)x100]	% of the budget spent	All	1%	0.58%	0%	0%	0%	1%	1%
TL38	Limit vacancy rate to 15% of budgeted posts by 30 June 2019 [(Number of funded posts vacant divided by budgeted funded posts)x100]	% vacancy rate	All	15%	13.46%	0%	15%	0%	15%	15%
TL39	Complete 100% of posts identified for evaluation in terms of TASK by 30 June 2019 {(Number of posts evaluated ito TASK/ Total	% of posts evaluated	All	100%	100%	0%	0%	0%	100%	100%

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Ref	KPI	Unit of Measurement	Wards	2017/18		Target for 2018/19				
				Target	Actual performance	Q1	Q2	Q3	Q4	Annual
	number of posts identified to be evaluated into TASK(x100)									

Table 57: Top Layer SDBIP targets set for 2018/19: Ensure a healthy and productive workforce and an effective and efficient work environment

c) Provide democratic, accountable government for local communities and encourage involvement of communities and community organizations in the matters of local government

Ref	KPI	Unit of Measurement	Wards	2017/18		Target for 2018/19				
				Target	Actual performance	Q1	Q2	Q3	Q4	Annual
TL27	Review the MGRO Clean Audit Plan and submit to the Municipal Manager by 31 January 2019	Letter signed off by the Municipal Manager that MGRO Clean Audit Plan was reviewed and submitted	All	1	1	0	0	1	0	1
TL28	Achieve a clean audit for the 2017/18 financial year by 31 December 2018	Audit report signed by the Auditor-General for 2017/2018	All	1	1	0	1	0	0	1
TL29	Compile a Risk Based Audit Plan and submit to the Audit Committee by 30 June 2019	RBAP submitted to the Audit Committee	All	1	1	0	0	0	1	1
TL30	Compile a strategic risk report and submit to Council by 31 May 2019	Strategic risk register submitted to Council	All	1	1	0	0	0	1	1

Table 58: Top Layer SDBIP targets set for 2018/19: Provide democratic, accountable government for local communities and encourage involvement of communities and community organizations in the matters of local government

d) To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism

Ref	KPI	Unit of Measurement	Wards	2017/18		Target for 2018/19				
				Target	Actual performance	Q1	Q2	Q3	Q4	Annual
TL35	The number of FTE's created through the EPWP programme by 30 June 2019 (Person days / FTE (230 days))	Number of FTE's created through the EPWP programme by 30 June 2019	All	116	242.11	0	0	0	242	242
TL42	Review the Spatial Development	SDF reviewed and submitted to	All	0	0	0	0	0	1	1

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Ref	KPI	Unit of Measurement	Wards	2017/18		Target for 2018/19				
				Target	Actual performance	Q1	Q2	Q3	Q4	Annual
	Framework (SDF) and submit to Council for approval by 30 June 2019	Council for approval by 30 June 2019								

Table 59: Top Layer SDBIP targets set for 2018/19: To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism

e) To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people

Ref	KPI	Unit of Measurement	Wards	2017/18		Target for 2018/19				
				Target	Actual performance	Q1	Q2	Q3	Q4	Annual
TL2	Conduct screening at the shadow centre by 30 June 2019	Number of screenings conducted by 30 June 2019	All	900	1440	0	0	0	1 450	1 450
TL7	Delivery of super structure attached to fire engine by 30 June 2019	Number of super structures delivered	All	New performance indicator for 2018/19. No comparative audited results available	New performance indicator for 2018/19. No comparative audited results available	0	0	0	1	1
TL8	Complete the new security fence at the Rawsonville sport grounds by 30 June 2019	Project completed by 30 June 2019	19; 20	New performance indicator for 2018/19. No comparative audited results available	New performance indicator for 2018/19. No comparative audited results available	0	0	0	1	1
TL9	Building plan approved for the fence at Esselenpark as at 30 June 2019	Number of building plans approved as at 30 June 2019	10	New performance indicator for 2018/19. No comparative audited results available	New performance indicator for 2018/19. No comparative audited results available	0	0	0	1	1
TL10	Upgrade 120 meters of the boundary fence at the De Doorns East sport grounds by 30 June 2019	Number of projects completed by 30 June 2019	3; 4	New performance indicator for 2018/19. No comparative audited results available	New performance indicator for 2018/19. No comparative audited results available	0	0	0	1	1

Table 60: Top Layer SDBIP targets set for 2018/19: To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people

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f) To provide and maintain basic services and ensure social upliftment of the Breede Valley community

Ref	KPI	Unit of Measurement	Wards	2017/18		Target for 2018/19				
				Target	Actual performance	Q1	Q2	Q3	Q4	Annual
TL1	Spend 95% of the project budget approved for the upgrade of the Waterloo Library by 30 June 2019 {(Actual project expenditure/Total project budget)X100}	% of the project budget spent	12	95%	13.83%	0%	0%	0%	95%	95%
TL3	Complete feasibility studies regarding the new housing projects at De Doorns, Touwsriver and Avianpark by 30 June 2019	Number of feasibility studies completed for Touwsriver, De Doorns and Avianpark	All	New performance indicator for 2018/19. No comparative audited results available	New performance indicator for 2018/19. No comparative audited results available	0	0	0	3	3
TL4	Complete 90% beneficiary selection for the Worcester New Mandela Square project by 30 June 2019. ((actual number of housing opportunities / total number of beneficiaries on the beneficiary list) x 100	% of beneficiaries selected in relation to the number of housing opportunities available	16; 18	0	0	0%	0%	0%	90%	90%
TL5	Complete serviced sites for the Transhex Human Settlements Project by 30 June 2019	Number of serviced sites completed by 30 June 2019	10; 18	300	0	0	0	0	256	256
TL6	Complete 90% beneficiary selection for the Transhex Human Settlement project by 30 June 2019. ((actual number of housing opportunities / total number of beneficiaries on the beneficiary list) x 100)	% of beneficiaries selected in relation to the number of housing opportunities available	10; 18	New performance indicator for 2018/19. No comparative audited results available	New performance indicator for 2018/19. No comparative audited results available	0%	0%	0%	90%	90%
TL11	Appoint consultants (via Supply Chain) to conduct an EIA and feasibility study by 30 June 2019	Number of service provider appointment letters issued by Supply Chain	8; 16; 17; 18	New performance indicator for 2018/19. No comparative audited	New performance indicator for 2018/19. No comparative audited	0	0	0	1	1

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Ref	KPI	Unit of Measurement	Wards	2017/18		Target for 2018/19				
				Target	Actual performance	Q1	Q2	Q3	Q4	Annual
				results available	results available					
TL12	Number of formal residential properties that are billed for water as at 30 June 2019	Number of residential properties that are billed for residential consumption water meters charged residential domestic tariffs or residential flat rate tariffs using an erf as a household except municipal rental flats which will be measured by using the number of rental units.	All	19 420	20 813	0	0	0	20 820	20 820
TL13	Number of residential properties which are billed for electricity or have pre-paid meters (excluding Eskom Electricity supplied properties) as at 30 June 2019	Number of residential properties that are billed for electricity or have pre-paid meters, charged on the residential tariffs for consumption and residential prepaid tariffs	All	22 530	22 802	0	0	0	22 820	22 820
TL14	Number of formal residential properties that are billed for sanitation/sewerage services as at 30 June 2019	Number of residential properties that are billed for residential sewerage tariffs using the erf as property	All	18 190	18 351	0	0	0	18 370	18 370
TL15	Number of formal residential properties that are billed for refuse removal as at 30 June 2019	Number of residential properties that are billed for refuse removal residential tariffs using the erf as a property	All	18 400	18 553	0	0	0	18 570	18 570
TL23	Limit unaccounted electricity losses to less than 10% by 30 June 2019 {(Number of Electricity Units Purchased - Number of	% unaccounted for electricity	All	10%	6.63%	0%	0%	0%	10%	10%

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Ref	KPI	Unit of Measurement	Wards	2017/18		Target for 2018/19				
				Target	Actual performance	Q1	Q2	Q3	Q4	Annual
	Electricity Units Sold) / (Number of Electricity Units Purchased) x100}									
TL24	Limit unaccounted water losses to less than 21% by 30 June 2019 {(Number of kiloliters water available from reservoirs - number of kiloliters water sold) / (number of kiloliters water purchased or purified) x 100}	% unaccounted for water	All	21%	14.05%	0%	0%	0%	21%	21%
TL31	Spend 90% of the budget allocated for the Regional Socio Economic Programme by 30 June 2019 {(Actual expenditure divided by the total approved capital budget) x 100}	% of budget spent	12; 21; 11; 13; 14; 10; 9; 8; 16; 17; 18	90%	84%	0%	0%	0%	90%	90%
TL34	Complete tar surfaced playing areas in Touwsrivier by 30 June 2019	Project completed	1	New performance indicator for 2018/19. No comparative audited results available	New performance indicator for 2018/19. No comparative audited results available	0	0	0	1	1
TL40	Achieve 95% average water quality level as measured per SANS 241 criteria during the 2018/19 financial year	% water quality level per quarter	All	95%	97.06%	95%	95%	95%	95%	95%
TL41	Develop a 3rd Generation Integrated Waste Management Plan and submit to Council for approval by 30 June 2019	Plan developed and submitted to Council by 30 June 2019	All	New performance indicator for 2018/19. No comparative audited results available	New performance indicator for 2018/19. No comparative audited results available	0	0	0	1	1
TL43	Extend recycling at point of waste generation to the De Doorns wards by 30 June 2019	Number of wards recycling extended to	All	4	6	0	0	0	2	2

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Ref	KPI	Unit of Measurement	Wards	2017/18		Target for 2018/19				
				Target	Actual performance	Q1	Q2	Q3	Q4	Annual
TL44	Achieve 90% of capital budget spent on the construction of the material recovery facility (MRF) in Worcester by 30 June 2019	% of capital budget spent	All	90%	100%	0%	0%	0%	90%	90%
TL45	Review 5 year Water Service Development Plan (WSDP) and submit to MayCo for approval by 31 March 2019	Reviewed WSDP submitted by 31 March 2019	All	1	1	0	0	1	0	1
TL46	Complete the project for the replacement of water pipes by 30 June 2019	Project completed	All	1	1	0	0	0	1	1
TL47	Complete the project for the replacement of sewerage pipes by 30 June 2019	Project completed	All	1	1	0	0	0	1	1
TL48	Complete Langerug 20 ML reservoir to Transhex development by 30 June 2019	Project completed	10; 18	New performance indicator for 2018/19. No comparative audited results available	New performance indicator for 2018/19. No comparative audited results available	0	0	0	1	1
TL49	Complete the construction of the Transhex sewer pump station and rising main by 30 June 2019	Project completed	10; 18	90%	82.92%	0	0	0	1	1
TL50	Achieve 90% of capital budget spent on the replacement of sewerage pipes by 30 June 2019	% of capital budget spent	All	1	1	0	0	0	1	1
TL51	80% of sewerage samples comply with effluent standard during the 2018/19 financial year {(Number of sewerage samples that comply with SANS/Number of sewerage samples tested)x100}	% of sewerage samples compliant	All	80%	88.34%	80%	80%	80%	80%	80%

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Ref	KPI	Unit of Measurement	Wards	2017/18		Target for 2018/19				
				Target	Actual performance	Q1	Q2	Q3	Q4	Annual
TL52	Spend 90% of the electricity capital budget by 30 June 2019 {(total actual capital project expenditure/total capital project budget) x 100}	% of the electricity capital project budget spent	All	90%	48.26%	0%	0%	0%	90%	90%
TL53	Spend 90% of the electricity maintenance budget by 30 June 2019 {(total actual maintenance expenditure/total maintenance budget) x 100}	% of the electricity maintenance budget spent	All	90%	85%	0%	0%	0%	90%	90%
TL54	Achieve 90% of capital budget spent on the resurfacing of roads by 30 June 2019	% of capital budget spent	All	New performance indicator for 2018/19. No comparative audited results available	New performance indicator for 2018/19. No comparative audited results available	0%	0%	0%	90%	90%
TL55	Achieve 90% of capital budget spent on the municipal fleet by 30 June 2019	% of capital budget spent	All	New performance indicator for 2018/19. No comparative audited results available	New performance indicator for 2018/19. No comparative audited results available	0%	0%	0%	90%	90%

Table 61: Top Layer SDBIP targets set for 2018/19: To provide and maintain basic services and ensure social upliftment of the Breede Valley community

3.4.2 Overall actual strategic performance for 2018/19

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

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

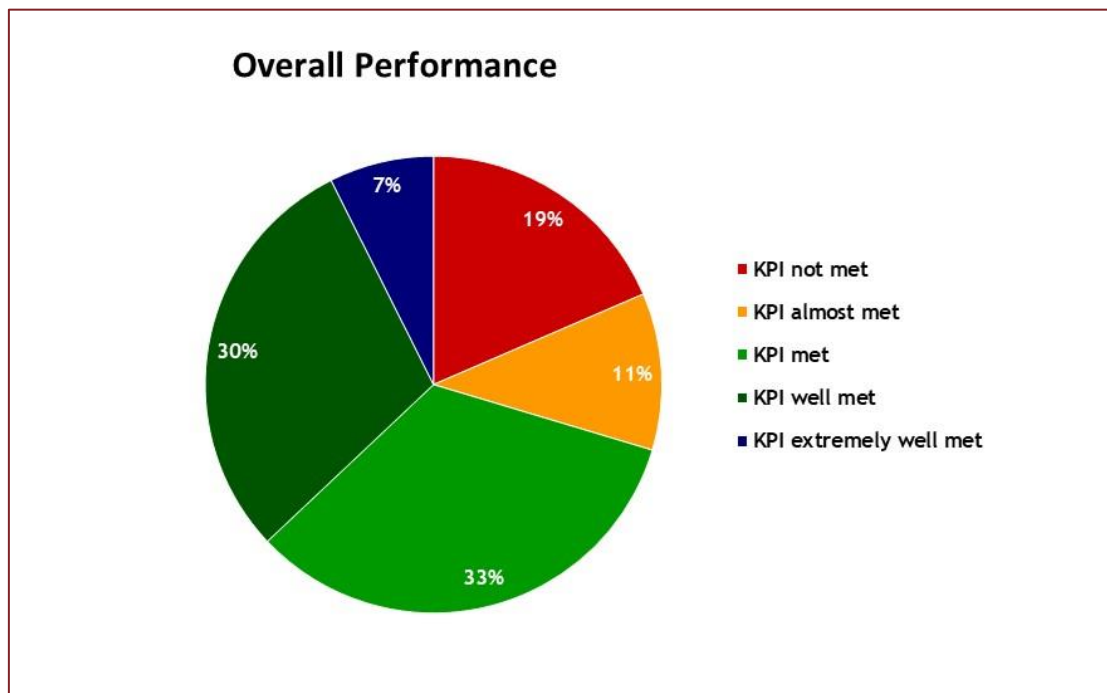
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The following table explains the method by which the overall assessment of actual performance against targets set for the key performance indicators (KPI's) of the SDBIP, are measured:

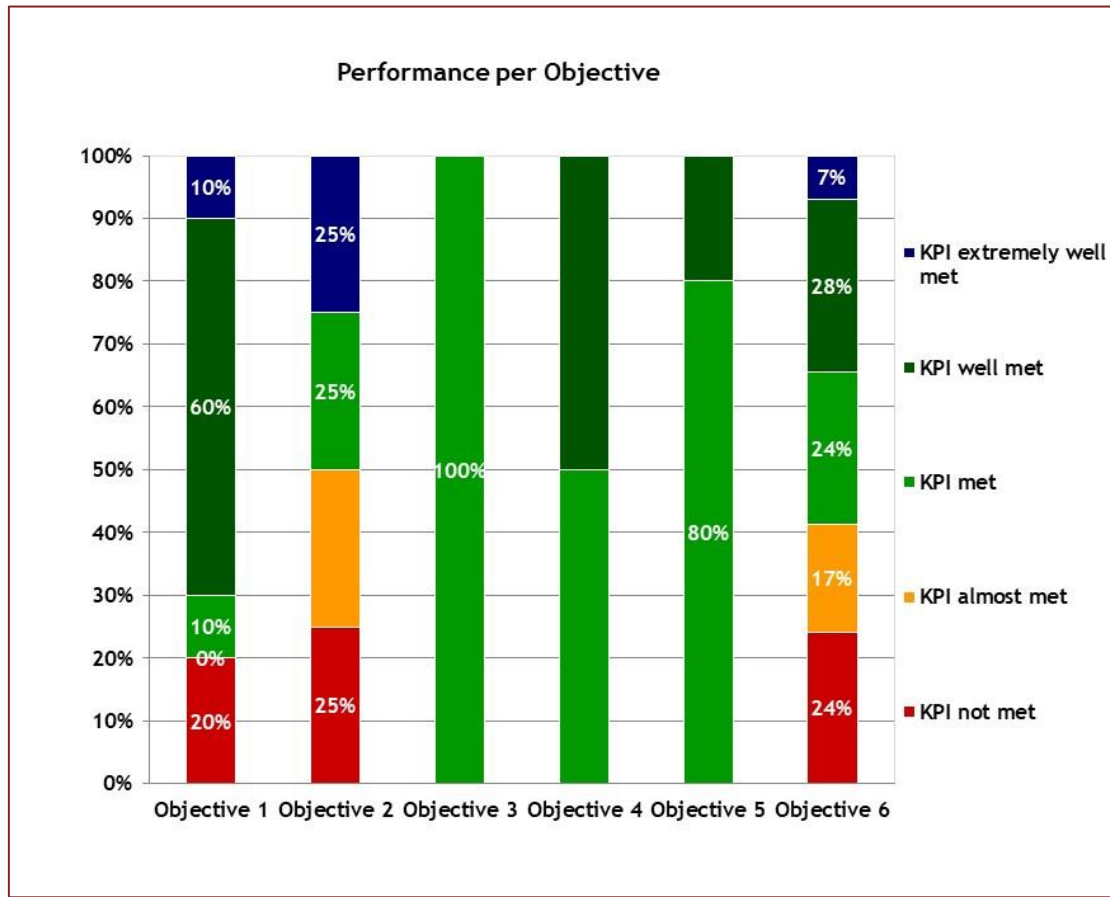
Category	Colour	Explanation
KPI Not Yet Measured		KPI's with no targets or actuals in the selected period
KPI Not Met		$0\% \geq \text{Actual/Target} < 75\%$
KPI Almost Met		$75\% \geq \text{Actual/Target} < 100\%$
KPI Met		$\text{Actual/Target} = 100\%$
KPI Well Met		$100\% > \text{Actual/Target} < 150\%$
KPI Extremely Well Met		$\text{Actual/Target} \geq 150\%$

Table 62: SDBIP measurement categories

The graph below displays the overall performance per strategic objective for 2018/19:



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Measurement Category	Objective 1	Objective 2	Objective 3	Objective 4	Objective 5	Objective 6	Total
	Assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practices	Ensure a healthy and productive workforce and an effective and efficient work environment	Provide democratic, accountable government for local communities and encourage involvement of communities and community organizations in the matters of local government	To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism	To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people	To provide and maintain basic services and ensure social upliftment of the Breede Valley community	
KPI Not Met	2	1	0	0	0	7	10
KPI Almost Met	0	1	0	0	0	5	6
KPI Met	1	1	4	1	4	7	18
KPI Well Met	6	0	0	1	1	8	16
KPI Extremely Well Met	1	1	0	0	0	2	4
Total	10	4	4	2	5	29	54

Graph 5: Overall strategic performance for 2018/19 per strategic objective

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3.4.3 Detail actual strategic performance for 2018/19 and corrective measures that will be implemented per strategic objective

- a) **Assure a sustainable future through sound financial management, continuous revenue growth, corporate governance and risk management practices**

Ref	KPI	Unit of Measurement	Wards	Actual performance for 2017/18	Target					Overall performance for 2018/19	
					Q1	Q2	Q3	Q4	Target	Actual	
TL16	Provide free basic water to indigent households earning less than R4500 as at 30 June 2019	Number of indigent households receiving free basic water	All	8 053	0	0	0	8 100	8 100	8 596	G2
TL17	Provide free basic electricity to indigent households earning less than R4500 as at 30 June 2019	Number of indigent households receiving free basic electricity	All	8 053	0	0	0	8 100	8 100	8 596	G2
TL18	Provide free basic sanitation to indigent households earning less than R4500 as at 30 June 2019	Number of indigent households receiving free basic sanitation	All	8 053	0	0	0	8 100	8 100	8 596	G2
TL19	Provide free basic refuse removal to indigent households earning less than R4500 as at 30 June 2019	Number of indigent households receiving free basic refuse removal	All	8 053	0	0	0	8 100	8 100	8 596	G2
TL20	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June 2019 (Short Term Borrowing + Long Term Borrowing) / Total Operating Revenue - Operating Conditional Grant	% of debt coverage	All	22.13%	0%	0%	0%	45%	45%	20.20%	B
TL21	Financial viability measured in terms of the outstanding service debtors as at 30 June 2019 ((Total outstanding service debtors/ revenue received for services)X100)	% of outstanding service debtors	All	15.15%	0%	0%	0%	15.90%	15.90%	16.93%	R

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Ref	KPI	Unit of Measurement	Wards	Actual performance for 2017/18	Target					Overall performance for 2018/19	
					Q1	Q2	Q3	Q4	Target	Actual	
Corrective actions:			Constant strengthening of credit control procedures. Third party appointed to attend to long outstanding debts								
TL22	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2019 ((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	1.57	0	0	0	2.4	2.4	1.35	R
Corrective actions:			Ratio is within the norm of 1-3 months cashflows are closely monitored by management								
TL25	Submit the approved financial statements for 2017/18 to the Auditor-General by 31 August 2018	Approved financial statements for 2017/18 submitted to the AG	All	1	1	0	0	0	1	1	G
TL26	Achieve a payment percentage of above 95% as at 30 June 2019 (Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue) x 100	% Payment achieved	All	100.31%	0%	0%	0%	95%	95%	98.78%	G2
TL32	The percentage of the municipal capital budget spent on projects as at 30 June 2019 (Actual amount spent on capital projects/Total amount budgeted	% of the municipal capital budget spent	All	78.35%	0%	0%	0%	95%	95%	97.48%	G2

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Ref	KPI	Unit of Measurement	Wards	Actual performance for 2017/18	Target					Overall performance for 2018/19	
					Q1	Q2	Q3	Q4	Target	Actual	
	for capital projects)X100										

Table 63: Assure a sustainable future through sound financial management, continuous revenue growth, corporate governance and risk management practices

b) Ensure a healthy and productive workforce and an effective and efficient work environment

Ref	KPI	Unit of Measurement	Wards	Actual performance for 2017/18	Target					Overall performance for 2018/19	
					Q1	Q2	Q3	Q4	Target	Actual	
TL36	Number of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan during the 2018/19 financial year	Number of people employed in the three highest levels of management	All	2	0	0	0	1	1	3	B
TL37	The percentage of the municipality's personnel budget spent on implementing its workplace skills plan by 30 June 2019 [(Actual amount spent on training/total personnel budget)x100]	% of the budget spent	All	0.58%	0%	0%	0%	1%	1%	0.98%	O
Corrective actions:			The actual percentage achieved was 0,98%. The Training committee meetings are held more regularly than previously. A more dedicated approach will have to be initiated to ensure that all training per the annual training plan are sourced and implemented within the first six months of the new financial year. Better communication between HR and Financial Services will also ensure that payment processes are timeous which will have a positive impact on total expenditure								
TL38	Limit vacancy rate to 15% of budgeted posts by 30 June 2019 [(Number of funded posts vacant divided by budgeted funded posts)x100)	% vacancy rate	All	13.46%	0%	15%	0%	15%	15%	16.88%	R
Corrective actions:			A committed recruitment and selection drive were initiated and the funded vacant positions on the approved staff establishment were advertised in July 2019. The intention is to fill all vacant positions by 30 September 2019								
TL39	Complete 100% of posts identified for evaluation in	% of posts evaluated	All	100%	0%	0%	0%	100%	100%	100%	G

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Ref	KPI	Unit of Measurement	Wards	Actual performance for 2017/18	Target					Overall performance for 2018/19	
					Q1	Q2	Q3	Q4	Target	Actual	
	terms of TASK by 30 June 2019 {(Number of posts evaluated ito TASK/ Total number of posts identified to be evaluated ito TASK)x100)										

Table 64: Ensure a healthy and productive workforce and an effective and efficient work environment

c) Provide democratic, accountable government for local communities and encourage involvement of communities and community organizations in the matters of local government

Ref	KPI	Unit of Measurement	Wards	Actual performance for 2017/18	Target					Overall performance for 2018/19	
					Q1	Q2	Q3	Q4	Target	Actual	
TL27	Review the MGRO Clean Audit Plan and submit to the Municipal Manager by 31 January 2019	Letter signed off by the Municipal Manager that MGRO Clean Audit Plan was reviewed and submitted	All	1	0	0	1	0	1	1	G
TL28	Achieve a clean audit for the 2017/18 financial year by 31 December 2018	Audit report signed by the Auditor-General for 2017/2018	All	1	0	1	0	0	1	1	G
TL29	Compile a Risk Based Audit Plan and submit to the Audit Committee by 30 June 2019	RBAP submitted to the Audit Committee	All	1	0	0	0	1	1	1	G
TL30	Compile a strategic risk report and submit to Council by 31 May 2019	Strategic risk register submitted to Council	All	1	0	0	0	1	1	1	G

Table 65: Provide democratic, accountable government for local communities and encourage involvement of communities and community organizations in the matters of local government

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d) To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism

Ref	KPI	Unit of Measurement	Wards	Actual performance for 2017/18	Target					Overall performance for 2018/19	
					Q1	Q2	Q3	Q4	Target	Actual	
TL35	The number of FTE's created through the EPWP programme by 30 June 2019 (Person days / FTE (230 days))	Number of FTE's created through the EPWP programme by 30 June 2019	All	242.11	0	0	0	242	242	289.6	G2
TL42	Review the Spatial Development Framework (SDF) and submit to Council for approval by 30 June 2019	SDF reviewed and submitted to Council for approval by 30 June 2019	All	0	0	0	0	1	1	1	G

Table 66: To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism

e) To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people

Ref	KPI	Unit of Measurement	Wards	Actual performance for 2017/18	Target					Overall performance for 2018/19	
					Q1	Q2	Q3	Q4	Target	Actual	
TL2	Conduct screening at the shadow centre by 30 June 2019	Number of screenings conducted by 30 June 2019	All	1440	0	0	0	1 450	1 450	1 459	G2
TL7	Delivery of super structure attached to fire engine by 30 June 2019	Number of super structures delivered	All	New performance indicator for 2018/19. No comparative audited results available	0	0	0	1	1	1	G
TL8	Complete the new security fence at the Rawsonville sport grounds by 30 June 2019	Project completed by 30 June 2019	19; 20	New performance indicator for 2018/19. No comparative audited results available	0	0	0	1	1	1	G
TL9	Building plan approved for the fence at Esselenpark as at 30 June 2019	Number of building plans approved as at 30 June 2019	10	New performance indicator for 2018/19. No comparative audited results available	0	0	0	1	1	1	G

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Ref	KPI	Unit of Measurement	Wards	Actual performance for 2017/18	Target					Overall performance for 2018/19	
					Q1	Q2	Q3	Q4	Target	Actual	
TL10	Upgrade 120 meters of the boundary fence at the De Doorns East sport grounds by 30 June 2019	Number of projects completed by 30 June 2019	3; 4	New performance indicator for 2018/19. No comparative audited results available	0	0	0	1	1	1	G

Table 67: To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people

f) To provide and maintain basic services and ensure social upliftment of the Breede Valley community

Ref	KPI	Unit of Measurement	Wards	Actual performance for 2017/18	Target					Overall performance for 2018/19	
					Q1	Q2	Q3	Q4	Target	Actual	
TL1	Spend 95% of the project budget approved for the upgrade of the Waterloo Library by 30 June 2019 $\{(Actual\ project\ expenditure/Total\ project\ budget) \times 100\}$	% of the project budget spent	12	13.83%	0%	0%	0%	95%	95%	95.09%	G2
TL3	Complete feasibility studies regarding the new housing projects at De Doorns, Touwsriver and Avianpark by 30 June 2019	Number of feasibility studies completed for Touwsriver, De Doorns and Avianpark	All	109	0	0	0	3	3	1	R
Corrective actions:				The feasibility of De Doorns (GG Kamp Sandhills) has been rolled over to the 2019/20 financial year due to the following reasons: <ul style="list-style-type: none"> the appointment of the consultant by the department of human settlements has been delayed due to terms of reference not finalized the Avain Park, Albatross Street feasibility has been moved to outer years due to the commitments towards Transhex Catalytic Housing Project 							
TL4	Complete 90% beneficiary selection for the Worcester New Mandela Square project by 30 June 2019. $(actual\ number\ of\ housing\ opportunities / total\ number\ of\ beneficiaries\ on\ the\ beneficiary\ list) \times 100$	% of beneficiaries selected in relation to the number of housing opportunities available	16; 18	0	0%	0%	0%	90%	90%	13%	R
Corrective actions:				390 Beneficiaries were selected against 50 opportunities as outlined in the business plan. The beneficiary process is ongoing and the progress depends on co-operation of the occupiers of the individual plots							

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Ref	KPI	Unit of Measurement	Wards	Actual performance for 2017/18	Target					Overall performance for 2018/19	
					Q1	Q2	Q3	Q4	Target	Actual	
TL5	Complete serviced sites for the Transhex Human Settlements Project by 30 June 2019	Number of serviced sites completed by 30 June 2019	10; 18	0	0	0	0	256	256	256	G
TL6	Complete 90% beneficiary selection for the Transhex Human Settlement project by 30 June 2019. ((actual number of housing opportunities / total number of beneficiaries on the beneficiary list) x 100)	% of beneficiaries selected in relation to the number of housing opportunities available	10; 18	New performance indicator for 2018/19. No comparative audited results available	0%	0%	0%	90%	90%	80.86%	O
Corrective actions:			We invited approximately 4 000 beneficiaries to complete applications and 1 113 were processed								
TL11	Appoint consultants (via Supply Chain) to conduct an EIA and feasibility study by 30 June 2019	Number of service provider appointment letters issued by Supply Chain	8; 16; 17; 18	New performance indicator for 2018/19. No comparative audited results available	0	0	0	1	1	0	R
Corrective actions:			It was not necessary to appoint consultants for the EIA and feasibility study because we will make use of our own sportsground at Zwelethemba								
TL12	Number of formal residential properties that are billed for water as at 30 June 2019	Number of residential properties that are billed for residential consumption water meters charged residential domestic tariffs or residential flat rate tariffs using an erf as a household except municipal rental flats which will be measured by using the number of rental units.	All	20 813	0	0	0	20 820	20 820	20 860	G2

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Ref	KPI	Unit of Measurement	Wards	Actual performance for 2017/18	Target					Overall performance for 2018/19	
					Q1	Q2	Q3	Q4	Target	Actual	
TL13	Number of residential properties which are billed for electricity or have pre-paid meters (excluding Eskom Electricity supplied properties) as at 30 June 2019	Number of residential properties that are billed for electricity or have pre-paid meters, charged on the residential tariffs for consumption and residential prepaid tariffs	All	22 802	0	0	0	22 820	22 820	22 516	O
Corrective actions:			Data cleanup processes are underway as well as ongoing meter audits to be undertaken								
TL14	Number of formal residential properties that are billed for sanitation/sewerage services as at 30 June 2019	Number of residential properties that are billed for residential sewerage tariffs using the erf as property	All	18 351	0	0	0	18 370	18 370	18 590	G2
TL15	Number of formal residential properties that are billed for refuse removal as at 30 June 2019	Number of residential properties that are billed for refuse removal residential tariffs using the erf as a property	All	18 553	0	0	0	18 570	18 570	18 765	G2
TL23	Limit unaccounted electricity losses to less than 10% by 30 June 2019 {(Number of Electricity Units Purchased - Number of Electricity Units Sold) / (Number of Electricity Units Purchased) x100}	% unaccounted for electricity	All	6.63%	0%	0%	0%	10%	10%	7.18%	B
TL24	Limit unaccounted water losses to less than 21% by 30 June 2019 {(Number of kiloliters water	% unaccounted for water	All	14.05%	0%	0%	0%	21%	21%	16.38%	B

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Ref	KPI	Unit of Measurement	Wards	Actual performance for 2017/18	Target					Overall performance for 2018/19		
					Q1	Q2	Q3	Q4	Target	Actual		
	available from reservoirs - number of kiloliters water sold) / (number of kiloliters water purchased or purified) x 100}											
TL31	Spend 90% of the budget allocated for the Regional Socio Economic Programme by 30 June 2019 {(Actual expenditure divided by the total approved capital budget) x 100}	% of budget spent	12; 21; 11; 13; 14; 10; 9; 8; 16; 17; 18	84%	0%	0%	0%	90%	90%	80.79%	O	
Corrective actions:			The tender received exceeded the available budget for BV729 in Zwelethemba. A final award could only be made on 10 April 2019 after additional funding was approved by the Western Cape Government									
TL34	Complete tar surfaced playing areas in Touwsrivier by 30 June 2019	Project completed	1	New performance indicator for 2018/19. No comparative audited results available	0	0	0	1	1	1	G	
TL40	Achieve 95% average water quality level as measured per SANS 241 criteria during the 2018/19 financial year	% water quality level per quarter	All	97.06%	95%	95%	95%	95%	95%	97.11%	G2	
TL41	Develop a 3rd Generation Integrated Waste Management Plan and submit to Council for approval by 30 June 2019	Plan developed and submitted to Council by 30 June 2019	All	New performance indicator for 2018/19. No comparative audited results available	0	0	0	1	1	0	R	
Corrective actions:			Delta Built Environment Consultants appointed to review and update the IWMP. Completion date is end of September 2019									
TL43	Extend recycling at point of waste generation to the De Doorns wards by 30 June 2019	Number of wards recycling extended to	All	6	0	0	0	2	2	1	R	
Corrective actions:			Wards 2 and 4 will be rolled-out during the 2019/20 financial year. Complete roll-out in De Doorns could not take place since our partners, receiving recyclable material, are not capacitated to handle the volumes provided to them									
TL44	Achieve 90% of capital budget spent on the	% of capital budget spent	All	100%	0%	0%	0%	90%	90%	100%	G2	

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Ref	KPI	Unit of Measurement	Wards	Actual performance for 2017/18	Target					Overall performance for 2018/19		
					Q1	Q2	Q3	Q4	Target	Actual		
	construction of the material recovery facility (MRF) in Worcester by 30 June 2019											
TL45	Review 5 year Water Service Development Plan (WSDP) and submit to MayCo for approval by 31 March 2019	Reviewed WSDP submitted by 31 March 2019	All	1	0	0	1	0	1	1	1	G
TL46	Complete the project for the replacement of water pipes by 30 June 2019	Project completed	All	1	0	0	0	1	1	1	1	G
TL47	Complete the project for the replacement of sewerage pipes by 30 June 2019	Project completed	All	1	0	0	0	1	1	1	1	G
TL48	Complete Langerug 20 ML reservoir to Transhex development by 30 June 2019	Project completed	10; 18	New performance indicator for 2018/19. No comparative audited results available	0	0	0	1	1	0	0	R
Corrective actions:			The construction activities are approximately 24 weeks behind programme. The latter is mainly due to the reservoir roof under construction which has collapsed on 25 January 2019. This does however affect the critical path and the contractor must catch up with the programme. The planned due completion date is 10 October 2019. Six (6) days extension of time has been granted. The anticipated completion date is towards the end of October 2019									
TL49	Complete the construction of the Transhex sewer pump station and rising main by 30 June 2019	Project completed	10; 18	82.92%	0	0	0	1	1	1	1	G
TL50	Achieve 90% of capital budget spent on the replacement of sewerage pipes by 30 June 2019	% of capital budget spent	All	1	0	0	0	1	1	1	1	G
TL51	80% of sewerage samples comply with effluent standard during the 2018/19 financial year {(Number of sewerage samples that comply with SANS/Number of	% of sewerage samples compliant	All	88.34%	80%	80%	80%	80%	80%	85.30%	85.30%	G2

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Ref	KPI	Unit of Measurement	Wards	Actual performance for 2017/18	Target					Overall performance for 2018/19		
					Q1	Q2	Q3	Q4	Target	Actual		
	sewerage samples tested)x100}											
TL52	Spend 90% of the electricity capital budget by 30 June 2019 {(total actual capital project expenditure/total capital project budget) x 100}	% of the electricity capital project budget spent	All	48.26%	0%	0%	0%	90%	90%	60.53%	R	
Corrective actions:			Limited resources w.r.t. trained staff (Staff not equipped to compile tenders. No experience of project management) HR to fast track filling of vacant posts and fill them with suitable qualified persons. New organogram proposed in line with NERSA guidelines. Training for tender compilation and project management to be provided									
TL53	Spend 90% of the electricity maintenance budget by 30 June 2019 {(total actual maintenance expenditure/total maintenance budget) x 100}	% of the electricity maintenance budget spent	All	85%	0%	0%	0%	90%	90%	70.06%	R	
Corrective actions:			Limited resources w.r.t. trained staff. HR to fast track filling of vacant posts and fill them with suitable qualified persons. Annual maintenance tenders to be put in place urgently									
TL54	Achieve 90% of capital budget spent on the resurfacing of roads by 30 June 2019	% of capital budget spent	All	New performance indicator for 2018/19. No comparative audited results available	0%	0%	0%	90%	90%	86.54%	O	
Corrective actions:			An amount of R10 407 237 was allocated by means of budget virement for the resurfacing of municipal streets at a very late stage of the financial year. Works to be completed before end of September 2019									
TL55	Achieve 90% of capital budget spent on the municipal fleet by 30 June 2019	% of capital budget spent	All	New performance indicator for 2018/19. No comparative audited results available	0%	0%	0%	90%	90%	97.23%	G2	

Table 68: To provide and maintain basic services and ensure social upliftment of the Breede Valley community

3.5 SERVICE PROVIDER 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 and is defined as:

- a) Service provider means a person or institution or any combination of persons and institutions which provide a municipal service
- b) External service provider means an external mechanism referred to in Section 76(b) which provides a municipal service for a municipality

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- c) 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

Section 121(b) of the MFMA and Section 46 of the MSA further state that a municipality should include the following related to service providers in its annual report:

- ☞ The performance of each service provider
- ☞ A comparison of the performance with targets set for and performances in the previous financial year; and
- ☞ Measures taken to improve performance

The purpose of this section is to provide information related to the performance of external service providers. Only services rendered and for goods delivered for an amount more than R200 000 are listed.

The tables below indicate service providers utilised according to functional areas:

3.5.1 Office of the Municipal Manager

Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
Construction of Tar Surfaced Playing Areas in Touwsrivier	2 Months	Completed	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Construction of Artificial Grass Miniature Soccer Pitches in Avian Park, Riverview, Roodewal and Zwelethemba in Worcester	2 Months	Completed	The service provider provided good/ satisfactory service, which is in line with the contract specifications	Project programme was amended. Estimated completion time was still within contractual timeframe
Construction of a Shared Economic Infrastructure Facility (SEIF) for Informal Traders and Pedestrian Facilities in Zwelethemba	5 Months	Active	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Construction of Pedestrian Bridge in Touwsriver	5 Months	Active	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A

Table 69: Service provider performance: Office of the Municipal Manager

3.5.2 Financial Services

Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
General Valuation for the period 1 July 2016 to 30 June 2020	48 Months	Active	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Provision of Water and Electricity Meter Reading Services to the Breede Valley Municipality for the period of 36 months	36 Months	Completed	Service provider performed average service as they were unable to reach a target of 95% in reading meters, per month, as a result of certain areas being inaccessible due to gang violence	Various interventions were implemented including, having several meetings with the service provider and official letters being sent, indicating the underperformance. The Municipality resolved to

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Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
				deduct the portion of the invoice amount, equivalent to the number of meters that could not be serviced, every month
Provision of the Cash-In-Transit Services for the period ending 30 June 2019	26 Months	Completed	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Supply and Delivery of Plastic Refuse Bags for the period ending 30 June 2020 (Black)	28 Months	Active	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Supply and Delivery of Plastic Refuse Bags for the period ending 30 June 2020 (Blue)	28 Months	Active	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Supply and Delivery of Plastic Refuse Bags for the period ending 30 June 2020 (Clear)	28 Months	Active	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Provision of Banking and Related Services for a period not exceeding five (5) years	36 Months	Active	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Provision of Auctioneering Services for the period ending 30 June 2020	24 Months	Active	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Supply and Delivery of Meter Reading Equipment and Software Solution (inclusive of Support Services) for a period not exceeding three (3) years	33 Months	Active	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Provision of Debt Collection Services for a period not exceeding three (3) years	33 Months	Active	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Short Term Insurance Services for the period of one year ending 30 June 2019	12 Months	Completed	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Provision of the Accounting Services to ensure GRAP compliant Annual Financial Statements for the period: 01 July 2018 to 31 December 2018	6 Months	Completed	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of tissue paper products for the period ending 30 June 2021	31 Months	Active	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of printing paper products for	29 Months	Active	The service provider provided good/ satisfactory	N/A

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Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
the period ending 30 June 2021			service, which is in line with the contract specifications	
Provision of Water and Electricity Meter Reading Services for the period not exceeding three (3) years	28 Months	Active	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Provision of Accounting Services to ensure completion of the GRAP/mSCOA compliant AFS for the period not exceeding three (3) years	28 Months	Active	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Facilitating third party payments for a period ending 30 June 2019	34 Months	Completed	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of six (6) 315 kva Transformers	3 Months	Completed	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Printing and folding of municipal accounts and related newsletters for the period ending 30 June 2019	33 Months	Completed	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of LED Street and Flood Lights for a period not exceeding (12) twelve calendar months	12 Months	Active	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of protective clothing for the period ending 30 June 2021	26 Months	Active	The service provider provided good/ satisfactory service, which is in line with the contract/specification	N/A

Table 70: Service provider performance: Financial Services

3.5.3 Strategic Support Services

Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
Rendering of Telecom Reporting and Cost Management Services for The Breede Valley Municipality for the period ending 30 June 2020	28 Months	Active	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Upgrade of Wireless Radio Network (and Related Services) within the Breede Valley Municipal Area for a period not exceeding three (3) years	28 Months	Active	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Professional Interpretation and Translation Services for a period ending 30 June 2021	34 Months	Active	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A

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Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
Rendering Hygiene Services at various sites within the Breede Valley Municipal area for a period ending 30 June 2019	30 Months	Active	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Communication Services for a period ending 30 June 2021	34 Months	Active	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of Server Equipment	1 Month	Completed	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Supply, Delivery, Installation and Commissioning of a Human Resource Management System, Payroll System as well as a Time and Attendance System (inclusive of support services) for a period not exceeding three (3) years	36 Months	Active	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Supply and Implementation of Disaster Recovery Solution	36 Months	Active	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Provision and Maintenance of Internet and Related Services for a period ending 30 June 2021	27 Months	Active	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of office furniture (upholstered army banquet fullback chair with heavy duty frame)	20 days	Completed	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A

Table 71: Service provider performance: Strategic Support Services

3.5.4 Community Services

Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
Repairs and Maintenance of the Municipal Rental Units (and other Buildings) within the Breede Valley Municipal Area for the period ending 30 June 2019	31 Months	Completed	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Rental of Chemical Toilets for the period ending 30 June 2020	36 Months	Active	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Upgrading of Waterloo Library	7 Months	Completed	The service provider provided poor and unsatisfactory service. The extension of time that was given expired on 27 May 2019	A penalty per day amounts to R 3'715. 60 excluding VAT, effective from 28 May 2019.

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Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
Manufacture, Assembly and Fitment of a Fire Apparatus Superstructure on a Supplied Truck Chassis	4 Months	Completed	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Relocation of Outside Toilets and Conversion into Bathroom Facilities in Zwelethemba, Worcester	2 Months	Completed	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Supply and Delivery of Firefighting Equipment - (battery operated rescue equipment)	2 Months	Completed	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Provision of Security Services for a period not exceeding three (3) years (Cluster 1A).	33 Months	Active	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Provision of Security Services for a period not exceeding three (3) years (Cluster 1B).	33 Months	Active	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Supply and Delivery of Traffic Patrol Vehicles (light delivery vehicles)	2 Months	Completed	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Provision of Speed Law Enforcement and Back Office Services for a period ending 30 June 2021	28 Months	Active	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A

Table 72: Service provider performance: Community Services

3.5.5 Technical Services

Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
Construction of Sewer Pump Station and Rising Main: Transhex Development	12 Months	Completed	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Provision and Implementation of Fleet Management System / Solution for a period of three (3) Years	36 Months	Active	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Construction of Mini Drop-Off Facilities in The Breede Valley Municipal Area (Worcester, De Doorns and Touwsrivier)	3 Months	Completed	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Appointment of a Service Provider for the Provision of Vehicle Fleet Management Services for the period ending 31 March 2020	21 Months	Completed	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Sewer Replacement through Trenchless Technology	3 Months	Completed	The service provider provided good/ satisfactory service,	N/A

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Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
[Cured-in-Place-Pipe (Cipp)] in Roodewal and Zwelethemba, Worcester			which is in line with the contract specifications	
Sewer Replacement in Roodewal and Zwelethemba, Worcester	3 Months	Completed	Unsatisfactory	Regular meetings were held, E-mail and letter communications were sent. Site instructions held to compel the contractor to rectify underperformance
Supply and Delivery of 6 X 4 Truck with Hydraulic Crane and Accessories (Pole Manipulator and Aerial Platform)	3 Months	Completed	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of eight (8) 4-ton trucks with crew cab	4 Months	Completed	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of one (1) 6m ³ Tipper and one (1) 10m ³ Tipper	2 Months	Completed	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of one (1) Skip Loader Truck	4 Months	Completed	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of Refuse Compactor Truck	3 Months	Completed	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Professional services for the provision of a five (5) year review of the Breede Valley Municipal Spatial Development Framework (SDF)	6 Months	Completed	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Supply, Delivery, Off-loading and Erection of Fence to various substations in Worcester	2 Months	Completed	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of light delivery vehicles (LDVs)	2 Months	Completed	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of two (2) licensed and registered 4-WD hydraulic operated, diesel powered backhoe loaders	1 Months	Completed	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of 4x4 truck with hydraulic crane and accessories (pole manipulator and aerial platform)	3 Months	Completed	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Professional services for the construction of Langerug	36 Months	Active	The service provider provided good/ satisfactory service,	N/A

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Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
20ml reservoir and water supply pipeline			which is in line with the contract specifications	
Professional services for the construction of sewer pump station and rising main trans hex development	36 Months	Active	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Supply, Deliver, Installation and Hand over of new High Mast lights within the Breede Valley Municipality	4 Months	Completed	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of cable locators, GPS mobile mappers and rechargeable batteries	2 Months	Completed	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of sewerage tanker truck	2 Months	Completed	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of six (6) specialised vehicles - aerial platform light delivery vehicles (LDV's)	3 Months	Completed	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Rendering of street cleaning services within the Worcester Central Business area for the period ending 30 June 2020	19 Months	Active	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Water Pipeline Replacement through trenchless technology in De Doorns	3 Months	Completed	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of combination high pressure water and vacuum drain cleaning machine onto a single chassis	5 Months	Completed	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Supply, installation and management of a sts compliant prepayment electrical vending system for a period ending 30 June 2021	26 Months	Active	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of water purifying chlorine for the period ending 30 June 2021 (liquid chlorine)	28 Months	Active	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of water purifying chlorine for the period ending 30 June 2021	28 Months	Active	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Provision, collection, transport and disposal of 3m2 skips (containers) within the Breede Valley Municipal area for a period ending 30 June 2019	31 Months	Completed	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A

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Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
Upgrading gravel roads at Zwelethemba (phase 2)	2 Months	Completed	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of road building material for the period ending 30 June 2021	28 Months	Active	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of bitumen products for the period ending 30 June 2021	27 Months	Active	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Supply and delivery of concrete products for the period ending 30 June 2021	27 Months	Active	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Construction of municipal office building at the De Koppen Water Treatment Works (WTW), Worcester	4 Months	Completed	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Upgrading of Springveldt link	1 Months	Completed	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Resurfacing of municipal roads for the period ending 30 June 2021	25 Months	Active	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Construction of a material recovery facility and associated infrastructure adjacent to the Worcester Landfill.	8 Months	Active	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Construction of Langerug 20ml Reservoir	13 Months	Completed	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Professional services for the construction of material recovery facility	31 Months	Active	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Construction of Glenco street stormwater diversion At De Doorns	4 Months	Completed	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A
Construction of 1.6m asphalt pedestrian walkways in the Worcester Area	4 Months	Completed	The service provider provided good/ satisfactory service, which is in line with the contract specifications	N/A

Table 73: Service provider performance: Technical Services

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3.6 MUNICIPAL FUNCTIONS

3.6.1 Analysis of functions

The municipal functional areas are as indicated below:

Municipal function	Municipal function: Yes / No
Constitution Schedule 4, Part B functions:	
Air pollution	Yes
Building regulations	Yes
Childcare facilities	Yes
Electricity and gas reticulation	Yes
Firefighting services	Yes
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	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Stormwater management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste water and sewage disposal systems	Yes
Constitution Schedule 5, Part B functions:	
Beaches and amusement facilities	n/a
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	No
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	No
Local amenities	Yes
Local sport facilities	Yes
Markets	Yes
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes

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Municipal function	Municipal function: Yes / No
Noise pollution	Yes
Pounds	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

Table 74: Municipal functions (functional areas)

3.7 OVERVIEW OF PERFORMANCE PER WARD

The tables below provide an overview of the performance per ward:

3.7.1 Ward 1

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Construction of tar-surfaced playing areas in Touwsrivier	1 July 2018	30 June 2019	793 811
2	Construction of pedestrian bridge over Donkies River in Touwsrivier	1 July 2018	30 June 2019	764 000
3	4 Ton Truck with crew cab	1 July 2018	30 June 2019	604 826
The above analysis includes only the 3 largest capital projects of the ward				

Table 75: Capital projects of ward 1

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2018/19
1	Housing	EIA is in final stage. Assessment report was submitted to the Department of Environmental Affairs
2	Land for graveyards	The LUPA application has been completed and a Planning Tribunal session is planned for May where the application for Rezoning and Subdivision will be approved. Thereafter subdivision, registration and development may commence
3	Development in Touwsrivier: Economic, Skills, Sustainable Jobs	The Mayoral bursary fund is available and accessible to all students within the Breede Valley (subject to successful application). Job shadowing programmes for matriculants have been initiated and will be rolled-out in future. BVM will also continue to implement EPWP programs in line with submitted project proposals & available funding
4	Resealing of Roads in Crescent, CBD, Schoemansville and Steenvliet	Funding has been budgeted for resealing of roads in Touwsrivier. Please note that this funding will not address the entire need

Table 76: Top four service delivery priorities for wards 1

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3.7.2 Ward 2

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Digger Loader - De Doorns	1 July 2018	30 June 2019	*1 072 007
2	Replacement of fence perimeter	1 July 2018	30 June 2019	*115 250
3	Replacements of roofs and beams 2x dams	1 July 2018	30 June 2019	*250 000
<p>The above analysis includes only the 3 largest capital projects of the ward *Capital projects indicated by an asterisk are implemented across more than one ward</p>				

Table 77: Capital projects of ward 2

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2018/19
1	Housing	2009 – 2017 total of 1700 housing units delivered with 1300 serviced sites. New land to be bought for future development
2	Electrical boxes in Stofland	To be investigated
3	Speed humps in Stofland (addresses will be confirmed)	R500 000 budgeted for the entire municipal area during the 2018/19 financial year. Areas will be considered as per priority list
4	Upgrading of roads in Stofland	An amount of R20 million is needed for the upgrading of roads in Stofland and this is for future planning purposes

Table 78: Top four service delivery priorities for ward 2

3.7.3 Ward 3

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Replace 11 Kv cable from Rumosa to Voortrekkerweg (1 500 m @ 185 mm Al PILC)	1 July 2018	30 June 2019	2 937 793
2	Replacement of water pipes - Ward 3	1 July 2018	30 June 2019	*1 548 298
3	De Doorns: New High Mast Lighting (MIG Form ID 153221)	1 July 2018	30 June 2019	842 812
<p>The above analysis includes only the 3 largest capital projects of the ward *Capital projects indicated by an asterisk are implemented across more than one ward</p>				

Capital projects of ward 3

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2018/19
1	Electricity & Development of Hassie Square	Hassie Square is within the 1:50 and 1:100 flood line. No development allowed
2	Relocating outside toilets into houses – RDP houses and 157 scheme upgrading	IRDP houses in Ward 3 are privately owned therefore it is the responsibility of the owners to upgrade the properties. Gatjie will however be considered subject to available funding
3	Housing	Approximately 1700 housing units were built in De Doorns over the last 10 years. No new housing projects are envisaged in the short term

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Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2018/19
4	Extension of streetlights in Voortrekker Way from SAPD to Sibabalwa School	An area of approximately 800m (from the De Doorns exit until Bon Esperance Farm) have been completed. From Bon Esperance until urban edge, an additional 800m (approximate value) will be considered

Table 79: Top four service delivery priorities for ward 3

3.7.4 Ward 4

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Digger Loader - De Doorns	1 July 2018	30 June 2019	*1 072 007
2	Replacements of roofs and beams 2x dams	1 July 2018	30 June 2019	*250 000
3	Replacement of fence perimeter	1 July 2018	30 June 2019	*115 250
<p><i>The above analysis includes only the 3 largest capital projects of the ward</i></p> <p><i>*Capital projects indicated by an asterisk are implemented across more than one ward</i></p>				

Table 80: Capital projects of ward 4

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2018/19
1	Bulk Infrastructure and top structures for phase 3 of housing project in Orchards Sunnyside	A feasibility study needs to be done where after a new project will be considered. Detail information of phase 3 development is required
2	Tarring of roads: Chris Hani Street Jakaranda Street Sir James Street St Elmo Street	Project is currently unfunded. To be included in master planning and listed for future budgetary consideration
3	MPC for Ward 4	The investigation of this need is currently in progress
4	Transfer of title deeds to owners of rental units	The process is currently underway. Pre -screening of all beneficiaries will be completed in March 2020. Sunnyside Orchard Rental stock will be completed in December 2019

Table 81: Top four service delivery priorities for ward 4

3.7.5 Ward 5

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Langerug Reservoir	1 July 2018	30 June 2019	*25 170 144
2	Reservoir, supply pipeline and augmentation of pump station (MIG Counter funding)	1 July 2018	30 June 2019	*2 536 777
3	Worcester WWTW Belt presses (3 of plus 1 standby) - MIG Counter funding	1 July 2018	30 June 2019	*440 367
<p><i>The above analysis includes only the 3 largest capital projects of the ward</i></p> <p><i>*Capital projects indicated by an asterisk are implemented across more than one ward</i></p>				

Table 82: Capital projects of ward 5

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Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2018/19
1	Extra water points and chemical toilets in GG Camp Sandhills	A survey is being conducted to determine service improvement / shortcomings
2	Transfer of land to the Municipality in GG Camp and De Wet	A feasibility study must be completed in GG Kamp before the land transfer can be considered. No plans are in place to transfer De Wet to the municipality
3	High- mast light in Silver Camp, GG Camp and De Wet Station	The provision of a high-mast light in GG-Camp has been budgeted for in the 19/20 financial year. De Wet Station does not belong to BVM, hence the Municipality can't provide services in this area
4	Fire extinguishers and sand buckets for GG camp to extinguish fire	Smoke detectors will be installed in all structures before 30 June 2020. An assessment will be done to determine the practicality of deploying fire extinguishers and sand buckets to a centralised point in the area (i.e. the control/responsibility thereof allocated to an elected community member

Table 83: Top four service delivery priorities for ward 5

3.7.6 Ward 6

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Langerug Reservoir	1 July 2018	30 June 2019	*25 170 144
2	Reservoir, supply pipeline and augmentation of pump station (MIG Counter funding)	1 July 2018	30 June 2019	*2 536 777
3	High Mast Lighting - Tuin Dorp - Keyter street	1 July 2018	30 June 2019	271 326
<p><i>The above analysis includes only the 3 largest capital projects of the ward</i></p> <p><i>*Capital projects indicated by an asterisk are implemented across more than one ward</i></p>				

Table 84: Capital projects of ward 6

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2018/19
1	Transfer houses for ownership to tenants	The sub-division of Eich & Keyter street is currently underway. Further sub-divisions are being considered
2	Fencing of sub-station in Kuhn Street	Project funded in the 2019/20 financial year
3	Spray lights for parks in Jansen, Palm Avenue, Van der Merwe Street and Sangster Street	Project funded through ward-based project funding
4	Storm water pipes to be installed in ditch in Keyter Street and Henry Gird Street on the park side and covered with ground and grass and levelled	Construction falls within natural water course; hence, it is subject to environmental authorization

Table 85: Top four service delivery priorities for ward 6

3.7.7 Ward 7

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Langerug Reservoir	1 July 2018	30 June 2019	*25 170 144
2	Upgrade library	1 July 2018	30 June 2019	6 115 000
3	Reservoir, supply pipeline and augmentation of pump station (MIG Counter funding)	1 July 2018	30 June 2019	*2 536 777

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Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
<p><i>The above analysis includes only the 3 largest capital projects of the ward</i></p> <p><i>*Capital projects indicated by an asterisk are implemented across more than one ward</i></p>				

Table 86: Capital projects of ward 7

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2018/19
1	Slipway at De la Bat and Rouxway Intersection (towards town)	Detail design and Bid Document is complete; however, the priority is unfunded
2	Slipway at High and Harris Streets Intersection (to Roux Park)	Design has been completed
3	Traffic Light (and slipway at High and Louis Lange Street intersection (from Industrial Area)	Detail design and Bid Document is complete; however, the priority is unfunded
4	Requesting development proposals for the Old Burgerspark Caravan Park, as well as the alienation of Erf 13953 and Erf 13954	The caravan park is earmarked for gap housing. Regarding the disposal of the erven, Council approved the intended disposal thereof

Table 87: Top four service delivery priorities for ward 7

3.7.8 Ward 8

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Replace 11 Kv cable from Mc Allistor to Field Sub (1 600 m @ 185 mm Al PILC)	1 July 2018	30 June 2019	4 730 299
2	Upgrading of Gravel Roads - Ward 8	1 July 2018	30 June 2019	1 253 553
3	Abbotoir Street Rehabilitation	1 July 2018	30 June 2019	500 000
<p><i>The above analysis includes only the 3 largest capital projects of the ward</i></p>				

Table 88: Capital projects of ward 8

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2018/19
1	Tarring of all Streets in ward 8 – There is a need for Bodla Road to be tarred and all gravel roads to be upgraded/ maintained	Bentele Street has been completed during 2017/18 - 2018/19 financial years. In addition, pothole repairs in Busa and Mpinda form part of maintenance programme
2	Relocate outside toilets into houses	Approximately R1 million budgeted to address this need throughout the entire municipal area (preference will be given to the elderly & disabled)
3	Swimming pool	The Implementation of the Swimming pool is funded for delivery in 2019/20 (R7,5 mil), 2020/21 (R2,5 mil) out of Council own funding
4	Sewerage blockages in Zwelethemba as a result of aged infrastructure	Part of ongoing maintenance - Relining of some sewers in Zwelethemba has been completed, while the relocation of sewer lines in Nkentsha Street project is almost completed

Table 89: Top four service delivery priorities for ward 8

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3.7.9 Ward 9

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Langerug Reservoir	1 July 2018	30 June 2019	*25 170 144
2	Upgrade of Roads - Springveld str. to Marias str.	1 July 2018	30 June 2019	652 755
3	Leighpoldt Street Rehabilitation	1 July 2018	30 June 2019	500 000
<p>The above analysis includes only the 3 largest capital projects of the ward *Capital projects indicated by an asterisk are implemented across more than one ward</p>				

Table 90: Capital projects of ward 9

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2018/19
1	Sewerage – Connection to the dwellings	Further investigation required
2	Paving of Springveldt Street Link	In process. Construction will commence during May/June 2019. Anticipated cost: R700 000
3	Speedhumps in Stynder Street (Rhode Street /Van Huysteen Avenue, Van Zyl Avenue, Viljoen and Fransman Streets, Africa Street, Panday and Neethling Street)	Mentioned streets will be added to the priority list, and addressed subject to available funding
4	Fencing of electrical boxes	To be considered subject to available funding

Table 91: Top four service delivery priorities for ward 9

3.7.10 Ward 10

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Sewer pump station and rising main (MIG Counter funding)	1 July 2018	30 June 2019	23 357 688
2	Reservoir, supply pipeline and augmentation of pump station (MIG Counter funding)	1 July 2018	30 June 2019	*2 536 777
3	Worcester WWTW Belt presses (3 of plus 1 standby) - MIG Counter funding	1 July 2018	30 June 2019	*440 367
<p>The above analysis includes only the 3 largest capital projects of the ward *Capital projects indicated by an asterisk are implemented across more than one ward</p>				

Table 92: Capital projects of ward 10

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2018/19
1	Upgrading of Roodewal and Hexpark Flats	Maintenance of all Flats are currently under implementation (as per available maintenance budget)
2	Upgrading of electricity in Roodewal and Hexpark Flats	Upgrading of electricity of all flats are currently under implementation (as per available maintenance budget)
3	Upgrading of sewerage pipes	An upgrade was done in Neethling Street. Sewerage will form part of the ongoing maintenance operations of the Municipality (drain covers etc)
4	Speed hump in Excelsior Way	The need will be a part of the audit by Traffic services for 2018/19, and will be addressed subject to the availability of funding

Table 93: Top four service delivery priorities for ward 10

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3.7.11 Ward 11

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Langerug Reservoir	1 July 2018	30 June 2019	*25 170 144
2	Resealing of Municipal Roads - Worcester	1 July 2018	30 June 2019	*15 607 237
3	Reservoir, supply pipeline and augmentation of pump station (MIG Counter funding)	1 July 2018	30 June 2019	*2 536 777
<p>The above analysis includes only the 3 largest capital projects of the ward *Capital projects indicated by an asterisk are implemented across more than one ward</p>				

Table 94: Capital projects of ward 11

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2018/19
1	Upgrading of indoor sport centre with air-conditioning and expansion gym and gym equipment	Will investigate the possibility to apply for funding from DCAS and National Lottery. Further investigation to be conducted regarding the business model of the gym (private gym model as point of departure)
2	Act against illegal trade of liquor, drugs and the eviction of drug dealers from rental units	Local Drug action Committee was established and will be dealing with all Community Safety and substance abuse matters in conjunction with other stakeholders
3	Anti - Drug abuse programmes and mobile police station for Riverview	Local Drug action Committee was established and will be dealing with all Community Safety and substance abuse matters in conjunction with other stakeholders
4	Safeguarding and re-development of Buitekant, Gordon, Sohgne and Grey Streets	In consultation with stakeholders and Municipality has budgeted for safeguarding of assets in all wards R900,000. In addition, the redevelopment of OVD forms part of housing pipeline

Table 95: Top four service delivery priorities for ward 11

3.7.12 Ward 12

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Langerug Reservoir	1 July 2018	30 June 2019	*25 170 144
2	Resealing of Municipal Roads - Worcester	1 July 2018	30 June 2019	*15 607 237
3	Stronger Lights - High Mast Lighting Avian Park	1 July 2018	30 June 2019	403 162
<p>The above analysis includes only the 3 largest capital projects of the ward *Capital projects indicated by an asterisk are implemented across more than one ward</p>				

Table 96: Capital projects of ward 12

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2018/19
1	Tarring/sealing of roads in self-build scheme in Avian Park	Approximately 7,5km of gravel roads to be upgraded at a cost of R 33 million. R1mil funded for 2019/20 financial year for paving of gravel roads in Avian Park block behind library
2	Tarring of Fisant Street	For future planning purposes
3	Cover open spaces beneath staircases at U and T Flats in Russel Scheme	Completed (project funded through ward-based project funding)

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Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2018/19
4	Fencing of netball court in Mossie Street, Avian Park	Completed

Table 97: Top four service delivery priorities for ward 12

3.7.13 Ward 13

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Resealing of Municipal Roads - Worcester	1 July 2018	30 June 2019	*15 607 237
2	Sewer connection for Riverview neighbourhood centre	1 July 2018	30 June 2019	170 000
3	Fencing of Electrical Boxes - Ward 13	1 July 2018	30 June 2019	92 925
<p><i>The above analysis includes only the 3 largest capital projects of the ward</i></p> <p><i>*Capital projects indicated by an asterisk are implemented across more than one ward</i></p>				

Table 98: Capital projects of ward 13

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2018/19
1	In-house toilets in Riverview	This priority has been recorded for 2019/2020 financial year, subject to available funding.
2	Widen Krotz Street at the bend to Avian Park	Priority will be investigated
3	Netball court in Kleinberg Street	To be considered in future years based on Master Plan prioritisation
4	Paving of sidewalk in Eden School	Will be prioritised and concluded

Table 99: Top four service delivery priorities for ward 13

3.7.14 Ward 14

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Langerug Reservoir	1 July 2018	30 June 2019	*25 170 144
2	Reservoir, supply pipeline and augmentation of pump station (MIG Counter funding)	1 July 2018	30 June 2019	*2 536 777
3	Worcester WWTW Belt presses (3 of plus 1 standby) - MIG Counter funding	1 July 2018	30 June 2019	*440 367
<p><i>The above analysis includes only the 3 largest capital projects of the ward</i></p> <p><i>*Capital projects indicated by an asterisk are implemented across more than one ward</i></p>				

Table 100: Capital projects of ward 14

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2018/19
1	Upgrade and maintenance of Riverview flats	Approximately R3 million budget annually to maintain rental housing stock throughout the entire municipal area
2	Demolish all illegal shacks/structures and ensure that legal tenants move into municipal rental units, and prevent the misuse of rental units by gang leaders and drug peddlers	All illegal structures are addressed in line with legal provisions for evictions

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Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2018/19
3	Upgrade of lights in Victoria Park	Will be considered within the short- to medium-term planning scope, subject to available funding
4	Paving – Durban Street to Boland College (from Le Seur Street to Boland College); and Riverview flats' sidewalks	To be informed by applicable master plans and future budgetary considerations. A walkway has been constructed adjacent to Boland College

Table 101: Top four service delivery priorities for ward 14

3.7.15 Ward 15

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Langerug Reservoir	1 July 2018	30 June 2019	*25 170 144
2	Reservoir, supply pipeline and augmentation of pump station (MIG Counter funding)	1 July 2018	30 June 2019	*2 536 777
3	Worcester WWTW Belt presses (3 of plus 1 standby) - MIG Counter funding	1 July 2018	30 June 2019	*440 367
<p>The above analysis includes only the 3 largest capital projects of the ward *Capital projects indicated by an asterisk are implemented across more than one ward</p>				

Table 102: Capital projects of ward 15

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2018/19
1	Investigate various options to prevent motorist from speeding	Potential speed calming mechanisms to be investigated
2	Cleaning of the area	Regular area cleaning conducted as part of operational maintenance programme
3	The removing of the vandalised speed hobbles to prevent accidents and the damaging of the road	Will be prioritized as part of operational maintenance
4	A request to clean and maintain the sidewalk in Altona Blvd.	Ongoing – part of operational maintenance programme

Table 103: Top four service delivery priorities for ward 15

3.7.16 Ward 16

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Langerug Reservoir	1 July 2018	30 June 2019	*25 170 144
2	Shared Economic Infrastructure Facility for informal traders in Zwelethemba	1 July 2018	30 June 2019	*3 270 080
3	Jet Vac truck	1 July 2018	30 June 2019	*2 959 792
<p>The above analysis includes only the 3 largest capital projects of the ward *Capital projects indicated by an asterisk are implemented across more than one ward</p>				

Table 104: Capital projects of ward 16

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Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2018/19
1	Electricity and toilets in New Mandela	All sites within the urban edge do have access to electricity and toilets. Households outside urban edge have access to basic services (water – water points and sanitation – chemical toilets). Informal Settlement will have to be restructured prior to a roll-out of services. Budget is available to conduct initial investigation
2	Relocate outside toilets into houses – Matsila and Fulang Street	R1 million is budgeted annually to address the overall need throughout the entire municipal area. Council prioritise the vulnerable to be first accommodated, such as pensioners and disabled
3	Housing in New Mandela	The beneficiary administration is currently underway (will be finalized April 2019). The construction of houses will be determined based on approved beneficiaries
4	Maintenance of sewerage and storm water systems	Part of ongoing maintenance - Relining of some sewers in Zwelethemba has been completed, while the relocation of sewer lines in Nkentsha Street project is almost completed

Table 105: Top four service delivery priorities for ward 16

3.7.17 Ward 17

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Langerug Reservoir	1 July 2018	30 June 2019	*25 170 144
2	Shared Economic Infrastructure Facility for informal traders in Zwelethemba	1 July 2018	30 June 2019	*3 270 080
3	Reservoir, supply pipeline and augmentation of pump station (MIG Counter funding)	1 July 2018	30 June 2019	*2 536 777

The above analysis includes only the 3 largest capital projects of the ward
***Capital projects indicated by an asterisk are implemented across more than one ward**

Table 106: Capital projects of ward 17

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2018/19
1	Upgrading of sewerage and sanitation including hostel houses' sewerage	A portion of pipeline replacement was conducted in Khwinana, with additional pipeline replacements featuring on the planning horizon. Additionally, a camera assessment was done in the area, which indicated that there were no major pipe defects. Recommendation was that pro-active maintenance be conducted. As a result, an additional Jet Vac machine was procured in the 2018/19 financial year
2	Transfer of title deeds	A total of 610 properties have been identified in Zwelethemba. The process is currently underway. The sub-division of family hostels (191) is earmarked for 2019/2020 financial year. The pre-screening of candidates will be completed as soon as the sub-division is approved. The first phase of transfers for the entire Zwelethemba will be completed in June 2020
3	Swimming pool	The Implementation of the Swimming pool is funded for delivery in 2019/20 (R7,5 mil), 2020/21 (R2,5 mil) out of Council own funding
4	Upgrade of graveyard	Refurbishment of toilet facilities is currently in construction and will also be monitored by the Technical Services Directorate to expedite completion

Table 107: Top four service delivery priorities for ward 17

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3.7.18 Ward 18

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Bulk Electrical: Worcester Transhex 7300	1 July 2018	30 June 2019	13 300 000
2	Transhex: Electrical Reticulation	1 July 2018	30 June 2019	5 000 000
3	Shared Economic Infrastructure Facility for informal traders in Zwelethemba	1 July 2018	30 June 2019	*3 270 080
<p><i>The above analysis includes only the 3 largest capital projects of the ward</i></p> <p><i>*Capital projects indicated by an asterisk are implemented across more than one ward</i></p>				

Table 108: Capital projects of ward 18

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2018/19
1	Tarring of road in Ward 18 (Colideza/ Jabu Streets)	The upgrading of all gravel roads is estimated at R11 million. Due to budget limitations this project will be implemented by means of a phased approach
2	High Mast light (Cnr of Njila Street & Jack Street as well as Mandela Square)	An amount of R500 000 has been budgeted to address the need for high mast lights throughout the entire municipal area during 2018/19
3	Play park in Njila Street, Mandela Square and ASLA	Construction of play park in Tshazimpunzi Street will commence during May 2018. A budget of R200 000.00 was allocated
4	Water, toilets and electricity for Swartpad residents	All sites within the urban edge do have access to electricity and toilets. Households outside urban edge have access to basic services (water and sanitation)

Table 109: Top four service delivery priorities for ward 18

3.7.19 Ward 19

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	1x 4x4 Truck with hydraulic crane - pole manipulator and aerial platform	1 July 2018	30 June 2019	*2 751 250
2	Worcester WWTW Belt presses (3 of plus 1 standby) - MIG Counter funding	1 July 2018	30 June 2019	*440 367
3	Extension of Rawsonville WWTW (0,24 Ml/day)	1 July 2018	30 June 2019	*200 000
<p><i>The above analysis includes only the 3 largest capital projects of the ward</i></p> <p><i>*Capital projects indicated by an asterisk are implemented across more than one ward</i></p>				

Table 110: Capital projects of ward 19

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2018/19
1	Maintenance of houses in De Nova Project in respect of cracked walls, cracked baths and toilet pots	As houses have been transferred, the maintenance thereof is the responsibility of the homeowner
2	Name plate to be erected to identify the De Nova Project	Further investigation required
3	Speed humps in Cuttings Avenue and Goedeman Avenue	The construction of a speedbump has been earmarked for the 2019/20 financial year. Subject to final approval of the applicable budget, a determination of the exact location will be made in collaboration with the ward Councillor

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Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2018/19
4	Paving of sidewalks in Cuttings Avenue and Goedeman Avenue	The approximate cost of constructing sidewalk is R520 000. This priority is currently not budgeted for

Table 111: Top four service delivery priorities for ward 19

3.7.20 Ward 20

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Digger Loader 4x4 (Cemeteries)	1 July 2018	30 June 2019	*1 072 007
2	Extension of Rawsonville WWTW (0,24 Ml/day)	1 July 2018	30 June 2019	*200 000
3	New Security Fences	1 July 2018	30 June 2019	*158 000
<p><i>The above analysis includes only the 3 largest capital projects of the ward</i></p> <p><i>*Capital projects indicated by an asterisk are implemented across more than one ward</i></p>				

Table 112: Capital projects of ward 20

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2018/19
1	A Stop sign at the Denova /Geelkampie crossing	The location of the request is situated on a provincial road. Therefore, this priority will be communicated to Provincial Department of Public Works (to possibly be included in their future planning)
2	A computer training centre for the youth	This priority is currently not funded. In order to be considered in future, a detailed need assessments and feasibility studies would have to be conducted
3	Ownership of Hamman Pieterse	This informal settlement is not sub-divided and not transferrable for ownership. The settlement is situated within the flood line and near the sewage network. As a result, development is prohibited in terms of the environmental legislation
4	Fire station	This priority is currently not funded. In order to be considered in future, a detailed need assessments and feasibility studies would have to be conducted

Table 113: Top four service delivery priorities for ward 20

3.7.21 Ward 21

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Resealing of Municipal Roads - Worcester	1 July 2018	30 June 2019	*15 607 237
2	Jet Vac truck	1 July 2018	30 June 2019	*2 959 792
3	Digger Loader 4x4 (Cemeteries)	1 July 2018	30 June 2019	*1 072 007
<p><i>The above analysis includes only the 3 largest capital projects of the ward</i></p> <p><i>*Capital projects indicated by an asterisk are implemented across more than one ward</i></p>				

Table 114: Capital projects of ward 21

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Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2018/19
1	Holistic Community Safety Program: e.g. Youth development, Sports development, Skills development Programmes	Various sport facilities have been constructed through RSEP. Community Development is engaging with potential role-players to identify and initiate sport development programmes
2	Police visibility & presence	This mandate primarily resorts under the SAPS. However, the Municipality facilitated several engagements with SAPS and the Department of Community Safety to address crime and safety needs. Continuous engagement with various role-players will be prioritised
3	Community Satisfaction survey	A Survey was conducted in 2016. Surveys are normally conducted every second year, subject to the availability of funding. A survey will be considered for the 2019/20 financial year
4	Housing – Completion of 708 project & development of open spaces for housing and development	205 housing units were in process of being built. 143 of these units have been completed. Of these 143 units, 21 has been vandalized to such an extent that the project completion/feasibility has been compromised. As a result, the remainder of the 62 houses could not be completed

Table 115: Top four service delivery priorities for ward 21

COMPONENT A: BASIC SERVICES

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

3.8 WATER SERVICES

The Municipality is an authorised water service authority and as such must adhere to the relevant sections of the Water Services Act (No. 108 of 1997) and the MSA. The Municipality has a duty to all customers or potential customers in its area of jurisdiction to progressively ensure efficient, affordable, economical and sustainable access to water services that promote sustainable livelihoods and economic development.

Worcester and Rawsonville are supplied with water from the Stettynskloof and the Fairy Glen Dam, with a total estimated yield of 26 000 ML/a. The current and future demands do not surpass the available yield. De Doorns is supplied with water from Grootkloof and Hex River Irrigation Board, with a total estimated yield of 850 ML/a. The current and future demand surpass the available yield by 420 ML/a. Touwsrivier is supplied with water from Waterkloof, Donkerkloof and Witklip borehole and springs, with a total estimated yield of 1 008 ML/a. The current and future demand surpass the available yield by 192 ML/a.

Existing pipelines, reservoirs and towers		
Existing Pipelines	Existing Reservoirs and Towers	
Rawsonville		
Bulk pipes	6 000	Rawsonville Reservoir
Network pipes	10 950	
Total (m)	16 905	
Worcester		
Bulk pipes	27 825	De Koppen, Langerug, Preloads, Worcester West Sump, Worcester West Upper
Network pipes	301 585	
Total (m)	329 410	
De Doorns		
Bulk pipes	8 880	
Network pipes	26 565	

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Existing pipelines, reservoirs and towers		
Existing Pipelines	Existing Reservoirs and Towers	
Total (m)	35 445	De Doorns Lower, De Doorns Upper 1, De Doorns Upper 2, Orchard, N1 Reservoir 1, N1 Reservoir 1, Stofland Reservoir
Touwsrivier		
Bulk pipes	56 585	Crescent Lower, Crescent Lower Steenvliet
Network pipes	32 610	
Total (m)	89 195	

Table 116: Existing pipelines, reservoirs and towers

3.8.1 Service delivery indicators: Water services

The key performance indicators for water services are:

Ref	KPI	Unit of Measurement	Wards	2017/18		Overall Performance for 2018/19		
				Target	Actual performance	Target	Actual	
TL12	Number of formal residential properties that are billed for water as at 30 June 2019	Number of residential properties that are billed for residential consumption water meters charged residential domestic tariffs or residential flat rate tariffs using an erf as a household except municipal rental flats which will be measured by using the number of rental units.	All	19 420	20 813	20 820	20 860	G2
TL24	Limit unaccounted water losses to less than 21% by 30 June 2019 {(Number of kiloliters water available from reservoirs - number of kiloliters water sold) / (number of kiloliters water purchased or purified) x 100}	% unaccounted for water	All	21%	14.05%	21%	16.38%	B
TL45	Review 5-year Water Service Development Plan (WSDP) and submit to MayCo for approval by 31 March 2019	Reviewed WSDP submitted by 31 March 2019	All	1	1	1	1	G
TL46	Complete the project for the replacement of water pipes by 30 June 2019	Project completed	All	1	1	1	1	G
TL48	Complete Langerug 20 ML reservoir to Transhex development by 30 June 2019	Project completed	10; 18	New performance indicator for 2018/19. No comparative audited results available	New performance indicator for 2018/19. No comparative	1	0	R

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Ref	KPI	Unit of Measurement	Wards	2017/18		Overall Performance for 2018/19		
				Target	Actual performance	Target	Actual	
					audited results available			
TL40	Achieve 95% average water quality level as measured per SANS 241 criteria during the 2018/19 financial year	% water quality level per quarter	All	95%	97.06%	95%	97.11%	G2

Table 117: Service delivery indicators: Water services

3.8.2 Water service delivery levels

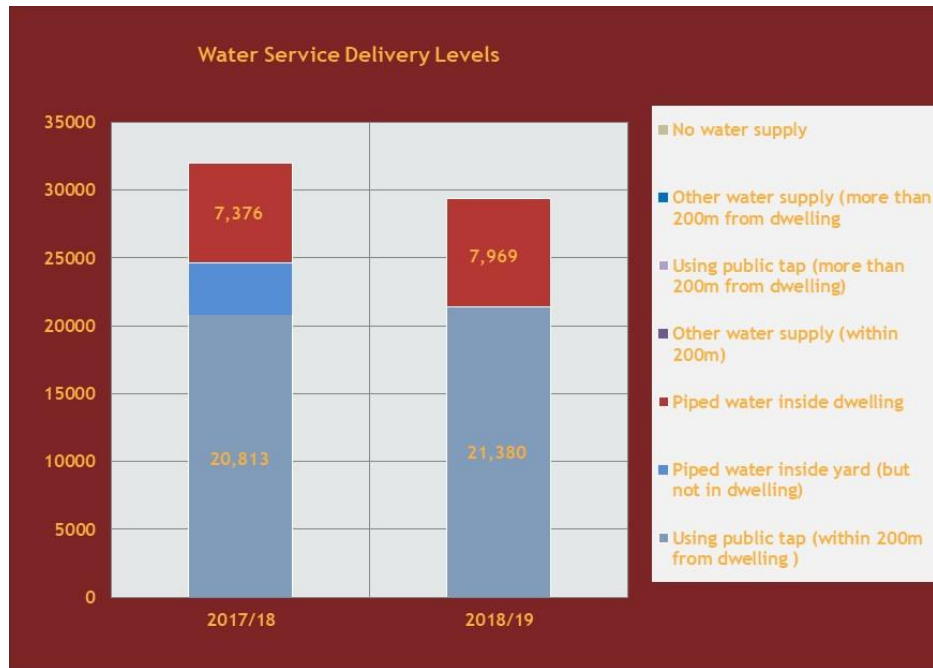
Below is a table that specifies the different water service delivery levels per household **within the urban edge area** for the financial years 2017/18 and 2018/19.

Description	2017/18#	2018/19#
	Actual	Actual
Household		
<i>Water: (above minimum level)</i>		
Piped water inside dwelling	20 813*	21 380
Piped water inside yard (but not in dwelling)	3 803	0
Using public tap (within 200m from dwelling)	7 376	7 969
Other water supply (within 200m)	0	0
Minimum service level and above sub-total	31 992	29 349
Minimum service level and above percentage	100	100
<i>Water: (below minimum level)</i>		
Using public tap (more than 200m from dwelling)	0	0
Other water supply (more than 200m from dwelling)	0	0
No water supply	0	0
Below minimum service level sub-total	0	0
Below minimum service level percentage	0	0
Total number of households (formal and informal)	31 992	29 349
*Total reflects the total number of households including households not separately billed		
# Data in line with SAMRAS and the Breede Valley Municipality database		

Table 118: Water service delivery levels

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The graph below shows the different water service delivery levels per total household and the progress per year:



Graph 6: Water service delivery levels

3.8.3 Employees: Water services

The table below indicates the number of employees for water services:

Occupational Level	2017/18	2018/19			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
Number					
Top Management	0	0	0	0	0
Senior Management	1	1	1	0	0
Middle Management and Professionals	4	4	3	1	25
Skilled Technical, Superintendents etc	10	23	14	9	39
Semi-skilled	17	25	15	10	40
Unskilled	56	61	51	10	16
Total	88	114	84	30	26

Table 119: Employees: Water services

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3.8.4 Capital expenditure: Water services

The table below indicates the amount that was actually spent on water services projects for the 2018/19 financial year:

Capital projects	2018/19				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
Langerug Reservoir	25 933 727	25 170 144	25 087 977	82 167	25 170 144
Reservoir, supply pipeline and augmentation of pump station (MIG Counter funding)	3 536 777	2 536 778	1 014 743	1 522 035	2 536 778
Pre-loads Reservoir	302 684	0	0	0	0
Replacement of water pipes - Ward 3	1 300 000	1 548 298	1 548 298	0	1 548 298
De Koppen Reservoir Office building	400 000	1 211 215	1 211 214	1	1 211 215
Water Connections	227 500	227 500	0	227 500	227 500
Touwsrivier (200) IRDP: Water Reticulation	525 000	525 000	0	525 000	525 000
Zwelethemba 2000 UISP: Water Reticulation	450 000	450 000	0	450 000	450 000
Transhex - Water Reticulation	17 500 000	17 500 000	24 146 458	-6 646 458	17 500 000
Water Reticulation - Fisher Street	95 000	95 000	0	95 000	95 000
Water Reticulation - Avian Park Albatros Street	250 000	250 000	0	250 000	250 000
De Koppen: New MCC Board and Scada	300 000	163 268	163 268	0	163 268
De Koppen: New Drum Screen	300 000	171 000	170 248	752	171 000
De Doorns: Fence at Water services	100 000	0	0	0	100 000
De Doorns water: Replacements of roofs and beams 2x dams	500 000	250 000	250 000	0	250 000
Upgrading of Stettynskloof Supply Pipeline - Phase 3 (MIG 164422)	200 000	396 860	200 000	196 860	396 860
Rehabilitation of Bok River Pipeline - Phase 6	500 000	0	0	0	500 000
Touwsrivier: Fence at Water services	100 000	98 834	98 834	0	98 834
Touwsrivier: Replacements of roofs and beams 1 x dams	250 000	91 545	91 544	1	91 545
Total all	52 770 688	50 685 442	56 176 996	-3 297 142	

Table 120: Capital expenditure 2018/19: Water services

3.9 SANITATION SERVICES

The Municipality has a duty to all customers or potential customers in its area of jurisdiction to progressively ensure efficient, affordable, economical and sustainable access to sanitation services that promotes sustainable livelihoods and economic development.

Good sanitation services exist across the Breede Valley municipal area, with a total of 35 522 households (82.4%) having access to flush toilets connected to the sewerage system and 1 993 (3.4%) to a flush toilet with septic tank (Statistics SA, 2011). A total of 2 127 households do not have access to any toilet facility. Since 2001, the Municipality has experienced an increase in the use of the bucket toilet system from 0.4% to 2.7% of households. This is a concern against the backdrop of the national policy drive to eradicate the bucket toilet system. The table below indicates the number of households with access to the various sanitation levels:

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	Black African	Coloured	Indian or Asian	White	Other	Total
None	1 509	706	4	16	26	2 261
Flush toilet (connected to sewerage system)	9 440	19 332	211	6 107	432	35 522
Flush toilet (with septic tank)	688	1 055	4	230	16	1 993
Chemical toilet	124	232	0	4	6	366
Pit toilet with ventilation (VIP)	37	79	0	2	0	118
Pit toilet without ventilation	33	109	2	0	0	144
Bucket toilet	342	777	4	6	9	1 138
Other	453	516	1	9	10	989
Total	12 626	22 806	226	6 374	499	42 531





Sanitation projects (form part of housing development projects) that are implemented in economically poor areas and have a positive short term and long-term result. In the short-term there are job opportunities and in the long term there might be a need for maintenance of these services. The improvement in the well-being of the community, along with education towards sanitation health awareness, will improve the entire community profile.

Despite the challenges in the poorer areas where education towards sanitation awareness is lacking, the service levels provided by BVM are relatively high and acceptable. All formal areas boast flushing toilets with water borne gravity flow disposal. In the informal (squatter camp) areas, chemical toilets are provided in accordance with the prescribed ratio (persons per toilet).

3.9.1 Green Drop certification





The 1st Green Drop assessments occurred late 2009 with 449 (53%) out of approximately 852 municipal waste water systems being assessed in the country. Only 6 WSAs attained Green Drop certification at the time. Since the roll-out of the Green Drop Certification to date, Breede Valley has gradually improved the average scoring performance.

BVM is responsible for the following systems:

-  Worcester
-  Rawsonville
-  De Doorns
-  Touwsrivier

BVM managed to achieve Green Drop status for the Worcester Waste Water Plant with a score of 90.65% in the 2013 assessment.

In 2010 BVM engaged in a process of improving the quality of our services. These efforts were geared at total quality improvement across the spectrum that would guarantee that we are set on a course of improving our services. We are addressing the leading factors to ensure that our turnaround strategy will be successful and that the fruit of our efforts will be seen within the foreseeable future. These improvements were widespread and include amongst others:

-  increasing the capacity of the sewerage treatment works plan
-  more frequent monitoring of effluent levels
-  upskilling the knowledge of our process controllers
-  a better resourced laboratory that ensured more efficient compliance monitoring

Regulatory Impression:

The Municipality's preparedness for the Green Drop assessment has been remarkable. The waste water team is showing a strong drive towards improving the Green Drop status by focusing on good management practice and excellent teamwork. The hard work has been rewarded by means of an improvement for 100% of the systems, with one Green Drop Certificate award. The municipal Green Drop Score of 90.2% is a remarkable upward trend from the 2011 score of 78.3%. The Regulator extended its congratulations to BVM and acknowledged that the Municipality is in full conformance of the Green Drop expectations.

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Challenge:

All the waste water and water system's operational personnel does not comply with Regulation 17 as required by the Department of Water Affairs. Further training of personnel must be undertaken or posts re-evaluated to attract qualified process staff.

3.9.2 Service delivery indicators: Sanitation services

The key performance indicators for sanitation services are:

Ref	KPI	Unit of Measurement	Wards	2017/18		Overall Performance for 2018/19		
				Target	Actual performance	Target	Actual	
TL14	Number of formal residential properties that are billed for sanitation/sewerage services as at 30 June 2019	Number of residential properties that are billed for residential sewerage tariffs using the erf as property	All	18 190	18 351	18 370	18 590	G2
TL47	Complete the project for the replacement of sewerage pipes by 30 June 2019	Project completed	All	1	1	1	1	G
TL50	Achieve 90% of capital budget spent on the replacement of sewerage pipes by 30 June 2019	% of capital budget spent	All	1	1	1	1	G
TL49	Complete the construction of the Transhex sewer pump station and rising main by 30 June 2019	Project completed	10; 18	90%	82.92%	1	1	G
TL51	80% of sewerage samples comply with effluent standard during the 2018/19 financial year {(Number of sewerage samples that comply with SANS/Number of sewerage samples tested) x100}	% of sewerage samples compliant	All	80%	88.34%	80%	85.30%	G2

Table 121: Service delivery indicators: Sanitation services

3.9.3 Sanitation service delivery levels

The table below specifies the different sanitation service delivery levels per household **within the urban edge area** for the financial years 2017/18 and 2018/19.

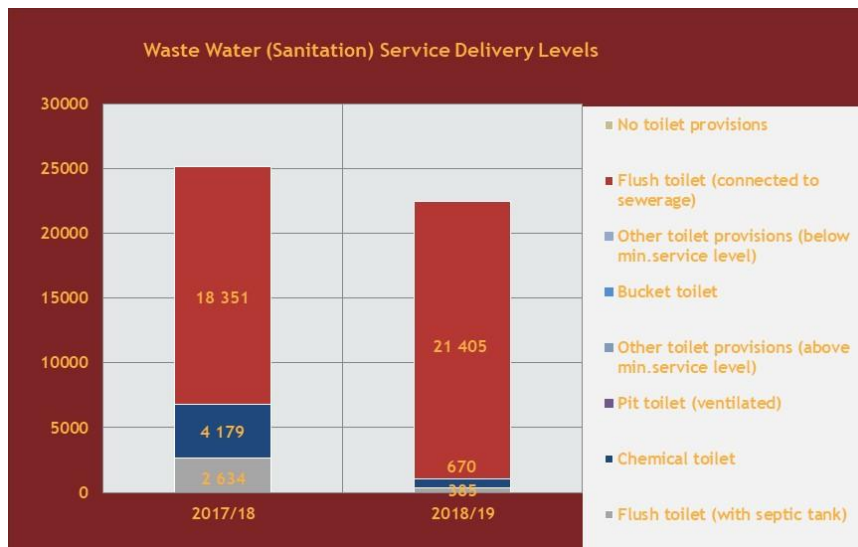
Description	2017/18	2018/19
	Actual	Actual
Household		
Sanitation/sewerage: (above minimum level)		
Flush toilet (connected to sewerage)	18 351*	21 405
Flush toilet (with septic tank)	2 634	385
Chemical toilet	4 179	670

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Description	2017/18	2018/19
	Actual	Actual
Household		
Pit toilet (ventilated)	0	0
Other toilet provisions (below minimum service level)	0	0
Minimum service level and above sub-total	25 164	22 460
Minimum service level and above percentage	100	100
Below minimum service level		
Bucket toilet	0	0
Other toilet provisions (below minimum service level)	0	0
No toilet provisions	0	0
Below minimum service level sub-total	0	0
Below minimum service level percentage	0	0
Total number of households	25 164	22 460
*Total reflects the total number of households including households not separately billed # Data in line with SAMRAS and the Breede Valley Municipality database		

Table 122: Sanitation service delivery levels

The graph below shows the different sanitation service delivery levels per total households and the progress per year:



Graph 7: Sanitation service delivery levels

3.9.4 Employees: Sanitation services

The table below indicates the number of employees for sanitation services:

Occupational Level	2017/18	2018/19			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
Number					
Top Management	0	0	0	0	0
Senior Management	1	1	1	0	0

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Occupational Level	2017/18	2018/19			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Middle Management and Professionals	1	1	1	0	0
Skilled Technical, Superintendents etc	4	5	4	1	20
Semi-skilled	24	29	28	1	3
Unskilled	36	38	35	3	8
Total	66	74	69	5	7

Table 123: Employees: Sanitation services

3.9.5 Capital expenditure: Sanitation services

The table below indicates the amount that was actually spent on sanitation services projects for the 2018/19 financial year:

Capital projects	2018/19				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
Transhex Sewer Pump station and rising main	10 052 184	25 011 483	24 236 759	774 724	25 011 483
Stormwater system improvements Ward 1 (February 2018 floods)	500 000	0	0	0	500 000
Replacement of Sewer Network - Ward 7 (Roll-over)	500 000	1 735 227	1 735 226	1	1 735 227
Replacement of Sewer Network - Ward 16 (Roll-over)	500 000	500 000	500 000	0	500 000
Sewer Connections	139 400	139 400	0	139 400	139 400
Touwsrivier (200) IRDP: Sewer Reticulation	525 000	525 000	0	525 000	525 000
Zwelethemba 2000 UISP: Sewer Reticulation	450 000	450 000	0	450 000	450 000
Transhex - Sewer Reticulation	17 500 000	17 500 000	24 146 467	-6 646 467	17 500 000
Sewer Reticulation - Fisher Street	95 000	95 000	0	95 000	95 000
Sewer Reticulation - Avian Park Albatros Street	250 000	250 000	0	250 000	250 000
Water: Replace Fences at of all pump stations	150000	138 870	138869.92	0.08	138 870
Worcester WWTW Belt presses (3 of plus 1 standby) - MIG Counter funding	150000	440 367	440366.14	0.86	440 367
Extension of Rawsonville WWTW (0,24 MI/day)	200 000	200 000	0	200 000	200 000
Total all	31 011 584	46 985 347	53 392 090	-4 212 341	

Table 124: Capital expenditure 2018/19: Sanitation services

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3.10 ELECTRICITY

Electricity and street lighting are provided to all formal settlements and electricity and street or high-mast lights are provided to most informal areas in the Breede Valley region. Electricity is the main source of energy and lighting: 88.31% of households in BVM use electricity for lighting and energy, while 4.21% use candles. Electricity usage decreased from 90% of households in 2001 to 88.3% of households in 2011, with the usage rate of paraffin increasing from 4% to 7% of households in 2011. The increase in electricity tariffs and the growth of informal residential areas, where energy dependency is mainly reliant on paraffin and candles as primary sources, are two contributing factors for the declining electricity usage.

The table below illustrates access and usage of different forms of energy in accordance with the different racial demographics Statistics SA (2011).

Type of energy	Black African	Coloured	Indian or Asian	White	Other	Total
Electricity	9 221	21 375	214	6 333	415	37 558
Gas	32	47	0	7	2	88
Paraffin	2 550	261	3	9	67	2 890
Candles	748	1 013	7	14	11	1 793
Solar	22	30	1	8	0	61
Other	0	0	0	0	0	0
None	51	79	0	2	5	137
Total	12 624	22 805	225	6 373	500	42 527

Table 125: Access and usage of different forms of energy in accordance with the different racial demographics

Electricity, street and/or high mast lighting are provided to all formal and informal areas within the Breede Valley supply area. Minimal load shedding was applied during the 2018/19 financial year. Electricity usage growth forecast (kWh) increased with an average of 0.95% and the Maximum Demand increased with 0.44% during the 2018/19 financial year.

As housing development areas (within BVM jurisdiction) are developed, the necessary INEP grant funding applications are submitted to the Department of Energy.

Public lighting maintenance has increased annually while the department effectively maintains street and area lighting within BVM, enhancing social upliftment to provide and maintain and assure basic services. We will continuously improve the lighting network system to reduce maintenance and to improve the energy sufficiency within the area, to accommodate community needs.

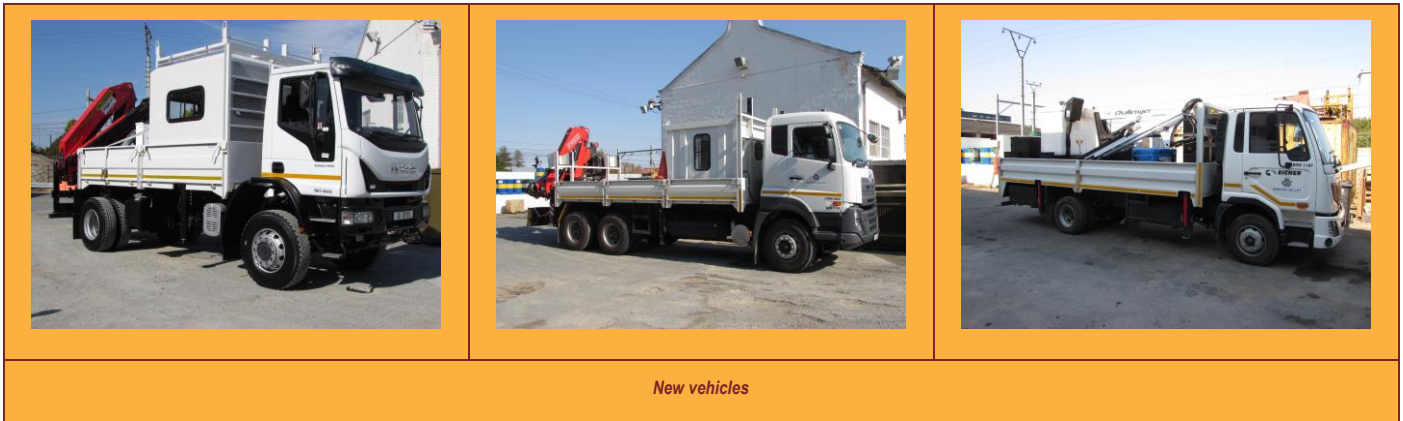
The quality of electricity supply is dependent on the ability of the Municipality to properly maintain its assets. Cooperation of residents to ensure that electrical service stations are not vandalised and electrical supply points not accessed without permission, is critical in this regard. The Municipality has established a hotline for residents to report any illegal or unauthorised incidents that hamper effective and efficient service delivery across the Breede Valley.

The table below gives a brief description of all the highlights for electricity during the 2018/19 financial year:

Highlight	Description
Purchase and delivery of new vehicles	New vehicles were purchased to assist with the daily needs as required. Two new crane trucks and 6 specialised vehicles were purchased and added to the Electrical Department fleet
Instalment of new MV equipment	Instalment of a new 11Kv minisub station and equipment
Replacement of open overhead lines to bundle overhead conductors	Replacement of open overhead cu conductors to adequate size of bundle overhead conductors to eliminate vandalism and damage to electrical network systems

Table 126: Electricity highlights

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The table below gives a brief description of the electricity challenges during the 2018/19 financial year:

Challenge	Corrective action
Vandalism of overhead streetlight networks	Replacement of aluminium vandalism of bundle conductor
Vandalism of streetlight fittings	Educate the community
Demolishing of streetlight infrastructure	Replace infrastructure

Table 127: Electricity challenges



3.10.1 Service delivery indicators: Electricity services

The key performance indicators for electricity are:

Ref	KPI	Unit of Measurement	Wards	2017/18		Overall Performance for 2018/19		
				Target	Actual performance	Target	Actual	
TL13	Number of residential properties which are billed for electricity or have pre-paid meters (excluding Eskom Electricity supplied properties) as at 30 June 2019	Number of residential properties that are billed for electricity or have pre-paid meters, charged on the residential tariffs for consumption and residential prepaid tariffs	All	22 530	22 802	22 820	22 516	O
TL23	Limit unaccounted electricity losses to less than 10% by 30 June 2019 (Number of Electricity Units)	% unaccounted for electricity	All	10%	6.63%	10%	7.18%	B

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Ref	KPI	Unit of Measurement	Wards	2017/18		Overall Performance for 2018/19		
				Target	Actual performance	Target	Actual	
	Purchased -Number of Electricity Units Sold) / (Number of Electricity Units Purchased) x100}							
TL52	Spend 90% of the electricity capital budget by 30 June 2019 {(total actual capital project expenditure/total capital project budget) x 100}	% of the electricity capital project budget spent	All	90%	48.26%	90%	60.53%	R
TL53	Spend 90% of the electricity maintenance budget by 30 June 2019 {(total actual maintenance expenditure/total maintenance budget) x 100}	% of the electricity maintenance budget spent	All	90%	85%	90%	70.06%	R

Table 128: Service delivery indicators: Electricity services

3.10.2 Electricity service delivery levels

The table below indicates the different service delivery level standards for electricity within the urban edge area of the Municipality:

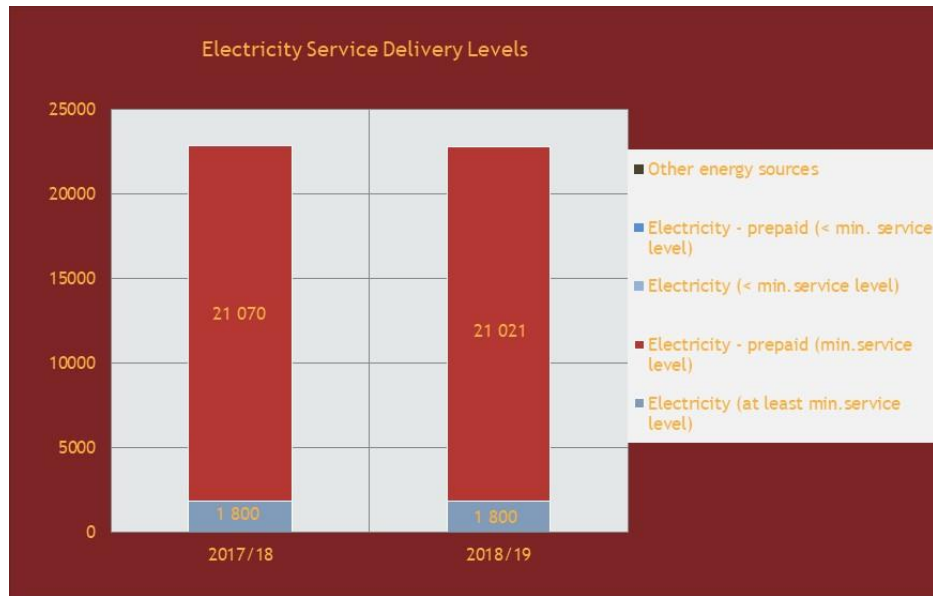
Description	2017/18	2018/19
	Actual	Actual
Household		
Energy: (above minimum level)		
Electricity (at least minimum service level)	1 800	1 800
Electricity - prepaid (minimum service level)	21 070	21 021
Minimum service level and above sub-total	22 870*	22 821*
Minimum service level and above percentage	100	100
Energy: (below minimum level)		
Electricity (< minimum service level)	0	0
Electricity - prepaid (< minimum service level)	0	0
Other energy sources	0	0
Below minimum service level sub-total	0	0
Below minimum service level percentage	0	0
Total number of households	22 870	22 821*

*Electricity service delivery include Eskom provision
Data in line with SAMRAS and the Breede Valley Municipality Ontec database

Table 129: Electricity service delivery levels

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The graph below shows the different electricity service delivery levels per total households and the progress per year:



Graph 8: Electricity service delivery levels

3.10.3 Employees: Electricity services

The table below indicates the number of employees for electricity services:

Occupational Level	2017/18	2018/19			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	0	0	0	0	0
Senior Management	1	2	1	1	50
Middle Management and Professionals	8	8	8	0	0
Skilled Technical, Superintendents etc	9	14	11	3	21
Semi-skilled	13	19	15	4	21
Unskilled	25	26	25	1	4
Total	56	69	60	9	13

Table 130: Employees: Electricity services

3.10.4 Capital expenditure: Electricity services

The table below indicates the amount that was actually spent on electricity services projects for the 2018/19 financial year:

Capital projects	2018/19				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
Transhex : Electrical Reticulation	18 300 000	18 300 000	8 557 542	9 742 458	18 300 000

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Capital projects	2018/19				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
Electrical Reticulation - Upgrade Gasnat Substation install new Switch gear.	1 300 000	0	0	0	1 300 000
Replacement of old VT'S and CT'S at Robertson Substation.	2 000 000	0	0	0	2 000 000
Elec: Quality of supply data loggers and monitoring equipment.	750 000	813 762	813 762	1	813 762
Durban street. - Replace overhead network to underground network complete.	2 000 000	2 000 000	1 251 273	748 727	2 000 000
Escape stairs and blinding at electrical new offices	0	180 000	18 207	161 793	180 000
Elec: Small Equipment	0	198 453	198 453	0	198 453
Replace 11 Kv cable from Rumosa to Voortrekkerweg (1 500 m @ 185 mm Al PILC)	0	2 937 793	984 839	1 952 954	2 937 793
De Doorns: New High Mast Lighting (MIG Form ID 153221)	0	842 812	0	842 812	842 812
Replace 11 Kv cable from Mc Allistor to Field Sub (1 600 m @ 185 mm Al PILC)	0	4 730 299	245 998	4 484 301	4 730 299
Fencing of Electrical Boxes - Ward 9	0	119 160	119 160	0	119 160
Fencing of Electrical Boxes = Ward 11	0	52 895	52 895	0	52 895
Fencing of Electrical Boxes - Ward 13	0	92 925	92 925	0	92 925
Fencing of Electrical Boxes - Ward 14	0	115 900	115 900	0	115 900
Fencing of Electrical Boxes - Ward 15	0	79 542	79 542	0	79 542
Miniature substations	0	2 964 924	2 964 924	0	2 964 924
LT Boards	0	460 990	460 989	1	460 990
Electricity Connections	315 700	615 700	398 827	216 873	615 700
Electricity Network Extensions (Depending on Public Contr)	1 515 000	1 215 000	518 946	696 054	1 215 000
High Mast Lighting - Tuin Dorp - Keyter street	500 000	271 326	271 326	0	271 326
Stronger Lights - High Mast Lighting Avian Park	500 000	403 162	403 162	0	403 162
High Mast Lighting - Njila street and Mandela Square	500 000	823 955	823 955	0	823 955
Total all	27 680 700	37 218 598	18 372 623	18 845 975	

Table 131: Capital expenditure 2018/19: Electricity services

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

BVM provides a relatively efficient waste removal service to all formal areas. Standards are generally high, excluding the informal settlements where certain challenges are experienced.

Waste removal service	Black African	Coloured	Indian or Asian	White	Other	Total
Removed by local authority/private company at least once a week	8 653	17 084	203	5 702	369	32 011
Removed by local authority/private company less often	641	1 409	1	141	12	2 204
Communal refuse dump	1 100	987	12	46	4	2 149
Own refuse dump	1 445	2 778	5	424	98	4 750
No rubbish disposal	746	423	4	44	15	1 232
Other	40	125	0	16	0	181
Total	12 625	22 806	225	6 373	498	42 527

Table 132: Refuse removal by population group of head of household (Census 2011)

The Worcester landfill site is permitted to receive only “general waste”, which does not pose an immediate threat to human life or the environment. This includes household waste, builder’s rubble, garden waste and certain dry industrial or commercial waste. All waste is separated on site before disposal.

Financial management for waste removal within the Municipality is relatively stringent. Funding shortages do, however, prevent extended or more effective practices being pursued.

The Breede Valley municipal area have a hazardous waste disposal facility. This is not to cater for medical waste and industrial sector needs, but exclusively for small quantities of household hazardous waste such as pesticides. Two 5m³ skips were placed at Worcester landfill site for disposal purposes. BVM bear the cost of transport and disposal to Vissershok landfill site. Industries are serviced by the private industry and contractors, who remove such waste mainly to the Vissershok facility near Cape Town.

Background:

BVM has the following permitted solid waste management facilities available:

- 🌀 Touwsrivier: Material Recovery Facility (MRF), transfer station and landfill site (only operated for builders rubble and garden waste)
- 🌀 De Doorns: Landfill site (only operated for builders rubble and garden waste)
- 🌀 De Doorns: Satellite station
- 🌀 Worcester: Worcester landfill site
- 🌀 Rawsonville: No facility

Although all four disposal facilities are permitted in terms of environmental legislation, it is not financially possible to fully comply with permit conditions at Touwsrivier, Worcester and De Doorns landfill sites. This is due to nearby informal settlements and residents scavenging to make a living (only at De Doorns). All informal recyclers were put off the Worcester landfill site. Since 2015 records of the type and quantities of waste disposed are kept and reported monthly on the IPWIS Provincial Solid Waste data base as prescribed by National Government. The boreholes that were drilled at the Worcester landfill site (two for gas monitoring and 2 for water sampling) are monitored as prescribed. Fences are maintained and replaced as and when necessary. The De Doorns and Touwsrivier sites should as soon as possible be closed and rehabilitated.

A Material Recovery Facility/transfer station at the Worcester landfill site is in the planning and design stage. An environmental impact study was conducted by Cape Winelands District Municipality for a new regional landfill site within the Worcester area. The license was granted, but an appeal was launched against the application. This appeal was set aside by the Provincial Minister for Local Government during the 2017/18 financial year.

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Worcester has less than a year's available airspace. Tenders have been requested for professional services during August 2018 to assist BVM with an application process to increase the height restriction of 10 meters at Worcester landfill site in order to obtain more airspace until the new regional site is in operation.

A New Solid Waste Management approach for BVM

Since February 2015 BVM has a new Integrated Waste Management approach. After Council approved and adopted the new approach, the following solid waste management measures were implemented:

a) Recycling at Source

The Recycling at Source Project now includes Rawsonville and all residential areas within Worcester, except for Zwelethemba.

Information pamphlets on recyclable materials were distributed to all residential properties and a system of placing the clear bag on the pavement for collection by BVM vehicles. Advertisements were placed in the Kontak newsletter via the Worcester Standard, water and electricity accounts of residents and on the municipal website. Advertisements of waste minimisation were placed on municipal refuse trucks and at the entrances of suburbs in town.

Clear bags with recyclable material are collected from residents and delivered free of charge to the following private recycling partners of BVM:

- 🌀 Beirowplas Recycling
- 🌀 Enviro Paper
- 🌀 APD (Association for people with disabilities)

Residents are participating in the recycling of domestic and commercial waste and the project is without doubt very successful.

With the assistance of APD, a once a week free of charge collection of recyclable material was implemented within Worcester CBD and additional 35 new job opportunities are created by BVM and its partners with the Recycling at Source projects.

b) Wheelie bin system within BVM.

All residents and businesses within BVM are provided with either 240-liter or 770-liter wheelie bins. Only Touwsrivier was not issued with wheelie bins since the town still makes use of black refuse bags in the absence of a refuse compactor that is adapted with a bin lifter.

c) Public Awareness and Education

It is very important to do public awareness and to educate our communities on waste management. Therefore, the Breede Valley Municipality "created" the Bin-Bin mascot for educational purposes. Bin-Bin's appearance is similar to that of a refuse bin, with various waste management slogans displayed on it.

Since Bin-Bin was introduced to the public during March 2015, she visited several schools, old age homes and participated in awareness campaigns on solid waste management education to the Swop Shop in Avian Park.

The youth for waste workers, together with Bin Bin, has an educational program and campaigns within the previously disadvantaged schools and areas. During December 2016, welcoming and solid waste educational days were held on the road into Worcester, to introduce Bin Bin and request visitors not to litter within BVM. Information pamphlets were also distributed to almost 2 000 visitors.

d) Worcester Landfill Site

Since October 2015 waste disposed at the Worcester Landfill Site is diverted and not mixed. Garden waste gets disposed at a separate disposal area. Builder's rubble is used for covering material.

There are presently no unlawful reclaiming practises taking place on the Worcester Landfill site.

Worcester Landfill site received an average of 27 362 tons of waste during the 2018/19 financial year.

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Vehicles / Equipment

The department is still having trouble with its fleet (refuse compactors). Breakdowns on trucks are the reason why the department has very high overtime collecting solid waste. The BVM have procured 6 compactors since 2016 and have improved the collection of refuse within the Municipality. From the new vehicles, 5 are utilised within Worcester and 1 in De Doorns.

The Department still struggle with vehicle breakdowns and this places huge pressure on the limited operational budget. Workers sometimes have to work more than the allowed 40 hours overtime per week when we experience break downs.

Disposal of small quantities household hazardous waste

Although permits for the disposal facilities do not make provision to handle, transport or allow the disposal of hazardous waste, provision has been made at Worcester Landfill site to accommodate small quantities of household hazardous waste (cell phone batteries, poison, paint and electronic waste).

Containers were provided and only households may dispose free of charge. BVM dispose these containers at Vissershok Landfill site.

3.11.1 Service delivery indicators: Waste management (Refuse collections, waste disposal, street cleaning and recycling)

The key performance indicators for sanitation services are:

Ref	KPI	Unit of Measurement	Wards	2017/18		Overall Performance for 2018/19		
				Target	Actual performance	Target	Actual	
TL43	Extend recycling at point of waste generation to the De Doorns wards by 30 June 2019	Number of wards recycling extended to	All	4	6	2	1	R
TL44	Achieve 90% of capital budget spent on the construction of the material recovery facility (MRF) in Worcester by 30 June 2019	% of capital budget spent	All	90%	100%	90%	100%	G2
TL15	Number of formal residential properties that are billed for refuse removal as at 30 June 2019	Number of residential properties that are billed for refuse removal residential tariffs using the erf as a property	All	18 400	18 553	18,570	18,765	G2
TL41	Develop a 3rd Generation Integrated Waste Management Plan and submit to Council for approval by 30 June 2019	Plan developed and submitted to Council by 30 June 2019	All	New performance indicator for 2018/19. No comparative audited results available	New performance indicator for 2018/19. No comparative audited results available	1	0	R

Table 133: Service delivery indicators: Waste management (Refuse collections, waste disposal, street cleaning and recycling)

3.11.2 Refuse removal service delivery levels

The table below indicates the different refuse removal service delivery level standards within the urban edge area of the municipality:

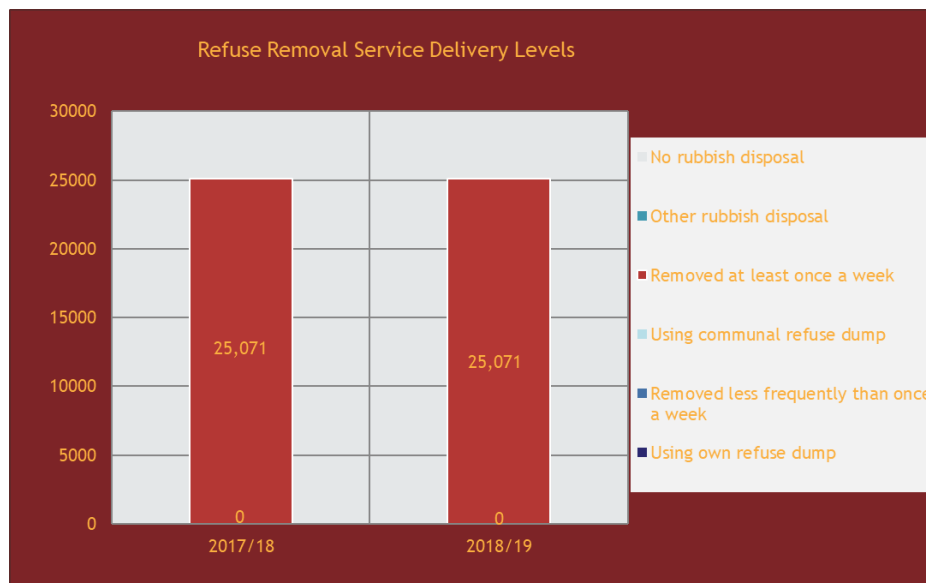
Description	2017/18	2018/19#
	Outcome	Actual
Household		
Refuse removal: (Minimum level)		
Removed at least once a week	25 071*	25 071*

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Description	2017/18	2018/19#
	Outcome	Actual
Household		
Minimum service level and above sub-total	25 071*	25 071*
Minimum service level and above percentage	100	100
Refuse removal: (Below minimum level)		
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
Below minimum service level sub-total	0	0
Below minimum service level percentage	0	0
Total number of households	25 071*	25 071*
*Total reflects the total number of households including households not separately billed # Data in line with SAMRAS and the Breede Valley Municipality database		

Table 134: Refuse removal service delivery levels

The graph below shows the different refuse removal service delivery levels per total households and the progress per year:



Graph 9: Refuse removal service delivery levels

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3.11.3 Employees: Waste management (Refuse collections, waste disposal, street cleaning and recycling)

The table below indicates the number of employees for waste management (refuse collections, waste disposal, street cleaning and recycling):

Occupational Level	2017/18	2018/19			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	0	0	0	0	0
Senior Management	0	1	1	0	0
Middle Management and Professionals	0	1	0	1	100
Skilled Technical, Superintendents etc	4	5	4	1	20
Semi-skilled	18	47	41	6	13
Unskilled	69	55	41	14	25
Total	91	109	87	22	20

Table 135: Employees: Waste management (Refuse collections, waste disposal, street cleaning and recycling)

3.11.4 Capital expenditure: Waste management (Refuse collections, waste disposal, street cleaning and recycling)

The table below indicates the amount that was actually spent on waste management (refuse collections, waste disposal, street cleaning and recycling) projects for the 2018/19 financial year:

Capital projects	2018/19				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
Wheeliebins	250 000	246 000	246 000	0	246 000
Worcester Material Recovery Facility (MIG Form ID 237066)	0	8 438 000	8 438 000	0	8 438 000
Total all	250 000	8 684 000	8 684 000	0	

Table 136: Capital expenditure 2018/19: Waste management (Refuse collections, waste disposal, street cleaning and recycling)

3.12 HOUSING

BVM has a current housing backlog of **26 342** (25 861: 2017/18) households. The following housing demand list provides a further indication of the demand for housing in the municipal area:

BREDE VALLEY MUNICIPALITY AREA	June 2018		June 2019		
	Total Waiting	Percentage	Total Waiting	Percentage	Percentage Difference
Avian Park	4 258	16.5	4 037	15.3	(1.2)
De Doorns	5 925	22.9	5 951	22.6	(0.3)
Outside Municipal Area	30	0.1	65	0.2	0.1

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BREDE VALLEY MUNICIPALITY AREA	June 2018		June 2019		
	Total Waiting	Percentage	Total Waiting	Percentage	Percentage Difference
Rawsonville	1 266	4.9	1 419	5.4	0.5
Roodewal	1 295	5	1 476	5.6	0.6
Touwsrivier	1 130	4.4	1 129	4.3	(0.1)
Worcester	7 919	30.6	8 176	31	0.4
Zwelethemba	4 038	15.6	4 089	15.5	(0.1)
TOTAL	25 861	100	26 342	100	

Table 137: Housing demand list

The Municipality has conducted its own survey into informal settlement patterns in Breede Valley to gauge the extent of informal housing:

Worcester	New Mandela	1 647
	Aspad	717
	Rolihlaha (Avian Park)	1 136
	Roodewal	171
	Worcester West	4
	Langerug	24
De Doorns	Stoffand	2 590
	Hasie Square	87
	Mpumelelo	4
	Ebaleni	58
	GG Camp (Sandhills)	1 087
Touwsrivier	Zion Park	78
Rawsonville	Hammat Square/Spokiesdorp	268
	Geelkampie	98
TOTAL		7 969

Table 138: Informal settlement patterns in BVM

The housing policy has been approved, making provision for people with disabilities.

Our waiting list is linked to the provincial housing demand list. The benefit is that we can trace applicants who are registered at other municipalities. It has also allowed us to eliminate duplicate names from the system.

Council has approved a 5-year Integrated Human Settlement Plan, which sets out housing delivery in the Municipality.

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3.12.1 Service statistics: Housing

Performance on housing projects for the year were as follows:

Projects	Revised delivery targets 2018/19		Performance 2018/19	
	Sites	Units	Sites	Units
Worcester New Mandela Square (652) IRDP	0	50	0	0
Touwsriver (900 services – 900 units) IRDP	Planning			
ISSP Zwelethemba North Rem erf1 (2000 sites) UISP	Planning			
Worcester Transhex Phase 1 (3231) services	900	0	785	0
Worcester Transhex Phase 1 Tops	0	100	0	0
Worcester Fischer St Portion erf 1 – 10253 (307) IRDP	Planning			
Avian Park Albatross Str – Rem-Erf 1 (500) IRDP	Planning			
Total	900	150	785	0

Table 139: Performance on projects: Housing

3.12.2 Service delivery indicators: Housing

The key performance indicators for housing are:

Ref	KPI	Unit of Measurement	Wards	2017/18		Overall Performance for 2018/19		
				Target	Actual performance	Target	Actual	
TL3	Complete feasibility studies regarding the new housing projects at De Doorns, Touwsriver and Avianpark by 30 June 2019	Number of feasibility studies completed for Touwsriver, De Doorns and Avianpark	All	109	109	3	1	R
TL4	Complete 90% beneficiary selection for the Worcester New Mandela Square project by 30 June 2019. ((actual number of housing opportunities / total number of beneficiaries on the beneficiary list) x 100	% of beneficiaries selected in relation to the number of housing opportunities available	16; 18	0	0	90%	13%	R
TL5	Complete serviced sites for the Transhex Human Settlements Project by 30 June 2019	Number of serviced sites completed by 30 June 2019	10; 18	300	0	256	256	G
TL6	Complete 90% beneficiary selection for the Transhex Human Settlement project by	% of beneficiaries selected in relation to the number of	10; 18	New performance indicator for 2018/19. No comparative	New performance indicator for 2018/19. No	90%	80.86%	O

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Ref	KPI	Unit of Measurement	Wards	2017/18		Overall Performance for 2018/19	
				Target	Actual performance	Target	Actual
	30 June 2019. ((actual number of housing opportunities / total number of beneficiaries on the beneficiary list) x 100)	housing opportunities available		audited results available	comparative audited results available		

Table 140: Service delivery indicators: Housing

3.12.3 Households with access to basic housing

The table below indicates the number of households in BVM with access to basic housing:

Year end	Total households (including formal and informal settlements)	Households in formal settlements	Percentage of households in formal settlements
2017/18	56 445	48 974	86.8
2018/19	56 943	48 974	86.0

Table 141: Households with access to basic housing

The following table shows the number of people on the housing waiting list:

Housing waiting list	Number of people on housing waiting list	% Housing waiting list increase/decrease
2017/18	25 861	(1.4)
2018/19	26 342	1.86

Table 142: Housing waiting list

3.12.4 Employees: Housing

The table below indicates the number of employees for housing:

Occupational Level	2017/18	2018/19			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	0	0	0	0	0
Senior Management	1	1	1	0	0
Middle Management and Professionals	1	5	2	3	60
Skilled Technical, Superintendents etc	2	2	2	0	0
Semi-skilled	13	13	12	1	8
Unskilled	0	0	0	0	0
Total	17	21	17	4	19

Table 143: Employees: Housing

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3.13 FREE BASIC SERVICES AND INDIGENT SUPPORT

In accordance with the approved indigent policy of the municipality, all households earning less than R4 500 per month will receive free basic services, as prescribed by national policy. Indigent support includes water, electricity, rates, refuse, sewerage and rental.

3.13.1 Access to Free Basic Services

The access to free basic services is summarised into the different services as specified in the following table:

Free basic services to low income households									
Year	Number of households								
	Total	Households earning less than R4 500 per month							
		Free basic water		Free basic sanitation		Free basic electricity		Free basic refuse	
		Access	(%)	Access	(%)	Access	(%)	Access	(%)
2017/18	28 037	8 053	100	8 053	100	8 053	100	8 053	100
2018/19	28 107	8 596	100	8 596	100	8 596	100	8 596	100

Table 144: Access to free basic services

The tables below identify the number of indigent /households with access to the different free basic services:

Electricity									
Financial year	Indigent households			Non-indigent households			Households in Eskom areas		
	No of HH	Unit per HH (kwh)	Value	No of HH	Unit per HH (kwh)	Value	No of HH	Unit per HH (kwh)	Value
			R'000			R'000			R'000
2017/18	7 100	50	3 216	20 937	0	0	953	50	613
2018/19	7 475	50	3 796	22 516	0	0	1 121	50	802

Please note that 5 591 is supplied by Eskom and 22 516 by BVM

Table 145: Free basic electricity services to indigent households

Water						
Financial year	Indigent households			Non-indigent households		
	No of HH	Unit per HH (kl)	Value	No of HH	Unit per HH (kl)	Value
			R'000			R'000
2017/18	8 053	10	3 378	12 760	6	3 353
2018/19	8 596	10	5 905	12 310	6	3 715

Table 146: Free basic water services to indigent households

Sanitation						
Financial year	Indigent households			Non-indigent households		
	No of HH	R value per HH	Value	No of HH	Unit per HH per month	Value
			R'000			R'000
2017/18	8 053	245.61	13 456	20 150	0	0
2018/19	8 596	260.87	15 661	20 458	0	0

Table 147: Free basic sanitation services to indigent households

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Refuse removal						
Financial year	Indigent households			Non-indigent households		
	No of HH	R value per HH	Value	No of HH	Unit per HH per month	Value
			R'000			R'000
2017/18	8 053	155.26	8 542	20 155	0	0
2018/19	8 596	165.22	9 867	20 451	0	0

Table 148: Free basic refuse removal services to indigent households per type of service

COMPONENT B: ROAD TRANSPORT

The White Paper on National Transport Policy (1996) spells out the following vision for South African transport: “provide safe, reliable, effective, efficient and fully integrated transport operations and infrastructure which will best meet the needs of freight and passenger customers at improving levels of service and cost in a fashion which supports government strategies for economic and social development whilst being environmentally and economically sustainable.”

3.14 ROADS

BVM is responsible for the roads and stormwater reticulation within the towns of the established municipal area. Roads outside the town area are the responsibility of the Cape Winelands District Municipality. The Municipality also has a national road, namely the N1, running past Rawsonville and through Worcester, De Doorns and Touwsrivier, which has a significant impact on traffic and the maintenance of the roads in these towns. A pavement management system (PMS) is carried out regularly (\pm 5 years) whereby pavement conditions, network status and backlogs are highlighted.

Funding restrictions and shortages to maintain the road network to satisfactory standards remains a major challenge to BVM (and most other local authorities). Resealing of the dilapidated roads in the network is of utmost importance to save these assets. This made a difference in the maintenance of roads. 1.48kms of road were upgraded to tar/paving of which 1.0km were constructed using a departmental team.

Departmental teams are used to attend to the general maintenance of the network such as pothole patching.

3.14.1 Tarred (Asphalted) roads

Financial year	Total km tarred roads	Km of new tar roads	Km existing tar roads re-tarred	Km tar roads maintained
2017/18	325.63	0	12.28	326.93
2018/19	348.00	22	5.73	348.00

Table 149: Tarred (Asphalted) roads

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3.14.2 Gravelled roads

Financial year	Total km gravel roads	Km new gravel roads constructed	Km gravel roads upgraded to tar	Km gravel roads graded/main-tained
2017/18	36.43	0	1.23	36.43

Financial year	Total km gravel roads	Km new gravel roads constructed	Km gravel roads upgraded to tar	Km gravel roads graded/main-tained
2018/19	35.00	0	1.48	35.00

Table 150: Gravelled roads

3.14.3 Capital expenditure: Roads

The table below indicates the amount that was actually spent on roads projects for the 2018/19 financial year:

Capital projects	2018/19				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
Resealing of Municipal Roads - Worcester	4 500 000	15 607 237	13 372 702	2 234 535	15 607 237
Resealing of Municipal Roads - De Doorns	250 000	0	0	0	250 000
Resealing of Municipal Roads - Touws River	250 000	0	0	0	250 000
Resealing of Procl Roads - Worcester (80% cont)	150 000	0	0	0	150 000
Abbotoir Street Rehabilitation	500 000	500 000	500 000	0	500 000
Upgrading of Gravel Roads - Ward 8	1 000 000	1 253 553	1 253 552	1	1 253 553
Leigholdt Street Rehabilitation	500 000	500 000	500 000	0	500 000
Upgrade of Roads - Springveld str. to Marias str.	500 000	652 755	652 754	1	652 755
Touwsrivier (200) IRDP: Roads	525 000	525 000	0	525 000	525 000
Zwelethemba 2000 UISP: Roads	450 000	450 000	0	450 000	450 000
Transhex - Roads	17 500 000	17 500 000	24 146 467	-6 646 467	17 500 000
Roads - Fisher Street	95 000	95 000	0	95 000	95 000
Roads - Avian Park Albatros street	250 000	250 000	0	250 000	250 000
Total all	26 470 000	37 333 545	42 619 877	-3 091 393	

Table 151: Capital expenditure 2018/19: Road

3.15 STORMWATER DRAINAGE

3.15.1 Stormwater infrastructure

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

Financial year	Total km stormwater measures	Km new stormwater measures	Km stormwater measures upgraded	Km stormwater measures maintained
2017/18	98.944	0.360	0	99.304
2018/19	99.304	0.000	0	99.304

Table 152: Stormwater infrastructure

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3.15.2 Capital expenditure: Stormwater

The table below indicates the amount that was actually spent on stormwater projects for the 2018/19 financial year:

Capital projects	2018/19				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
Steel rods for stormwater renewal	0	7 000	6 581	419	7 000
Roads & Stormwater: Replacement of fridge	0	3 500	2 861	639	3 500
Touws River (200) IRDP: Stormwater	525 000	525 000	0	525 000	525 000
Zwelethemba 2000 UISP: Stormwater	450 000	450 000	69 300	380 700	450 000
Transhex - Stormwater	17 500 000	17 500 000	24 146 467	-6 646 467	17 500 000
Stormwater - Fisher Street	95 000	95 000	0	95 000	95 000
Stormwater - Avian Park Albatros street	250 000	250 000	0	250 000	250 000
Total all	18 820 000	18 830 500	26 419 610	-5 394 709	

Table 153: Capital expenditure 2018/19: Stormwater

3.15.3 Employees: Roads and stormwater

The table below indicates the number of employees for roads and stormwater:

Occupational Level	2017/18	2018/19			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	0	0	0	0	0
Senior Management	1	1	1	0	0
Middle Management and Professionals	1	1	1	0	0
Skilled Technical, Superintendents etc	1	2	1	1	50
Semi-skilled	12	18	10	8	44
Unskilled	25	31	23	8	26
Total	40	53	36	17	32

Table 154: Employees: Roads and stormwater

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COMPONENT C: PLANNING AND DEVELOPMENT

3.16 PLANNING

3.16.1 Planning strategies

The table below sets out the main elements of BVM planning strategies:

Strategy	Description
Spatial in-filling	The BVM: SDF identifies key vacant land for in-fill and housing development and we are continuing with this strategy of spatial in-filling and densification. The approved Transhex urban development is based on the superblock-integrated concept. Council also identified land for middle income housing which it intends to develop internally
Historical core preservation	Historical cores of urban centres must be clearly demarcated. Priority should be given to the conservation of heritage buildings and precincts in redevelopment projects. Any proposals for the re-development of existing buildings should consider their heritage value, elements of the vernacular architecture and, where possible, retain these important elements. Similarly, the historical characteristics of existing buildings should be considered to draw from their elements that could be integrated into the design and construction of new buildings. Advertisement signage in these cores must be regulated through bylaws, with input from the said heritage bodies
CBD revival/Urban renewal	Special focus must be placed on CBD revival. This will require increasing the attractiveness of the area to tourist traffic and providing sufficient and attractive signage, landscaping, urban design/building management, security, etc. This initiative must be closely aligned with the strategies of the LED section as CBD revival was identified as a key catalyst in the latest LED Strategy
Land use integration and interfaces/Spatial integration	Spatial integration should be the main underlying foundation for all spatial decision making and should be facilitated in the encouragement of the development of strategic mixed-use nodes, intensification corridors and spatial in-filling with gap housing developments. The intensification areas/corridors are the prime instruments for promoting integration between different areas and is intended to promote a mutually supportive increase in residential (mixed income) and economic (mixed use) activity straddling the major routes of a settlement

Table 155: Planning strategies

3.16.2 Achievements of the Planning Department for 2018/19

The tables below give a brief description of all the achievements in the Planning Division:

a) Town planning

Achievement/Highlight	Description
Review of the Spatial Development Framework (SDF)	The SDF was reviewed in order to align the document with the key content and process requirements as set out in the MSA, Spatial Planning and Land Use Management Act 16 of 2013, the Land Use Planning Act 3 of 2014 and the Breede Valley Municipal Land Use Planning By-Law

Table 156: Planning highlights

b) Building control

Achievement/Highlight	Description
Approved new building work > R10m	Brandwacht pack house @ R13 000 000
Approved additions > R15m:	Rawsonville road factory @ R33 000 000
	High street offices/ show room @ R21 000 000
	Hexkoel cool room @ R17 000 000

Table 157: Building control highlights

c) GIS

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Achievement/Highlight	Description
Migration to Portal for ArcGIS	Updated ESRI Software licencing was procured allowing us access to Portal for ArcGIS. The existing map viewers running on the Silver Light plugin have started to be migrated to Portal for ArcGIS. This will mean that these map viewers will run on any operating system and device
Initiation of drone training	The GIS Officer has begun with drone training in this financial year. When the training is completed, he will have his RPL (Remote Pilot's Licence) allowing the flying of areal imagery inhouse
Expansion of map viewers	The range of map viewers have been expanded to include dedicated map viewers such as a land audit viewer. This viewer allows the user to identify available land. The existing map viewers have also been expanded due to the addition of datasets. An example is the addition of all the way leave applications
Clean-up of data	An extensive project was initiated in cleaning the cadastral and street address data as well as the zoning information. This project is on-going however a large percentage of the data has already been cleaned resulting in increased accuracy within the datasets

Table 158: GIS highlights

3.16.3 Challenges of the Planning Department for the 2018/19 financial year

The tables below give a brief description of all the challenges of the Planning Division:

a) Town planning

Challenge	Corrective action
Support functions such as HR and Records are presenting a challenge	Undertake to meet on a monthly basis with support departments regarding relevant issues
Actions against Illegal land use cases	Process will be simplified through by-law amendments

Table 159: Town planning challenges

b) Building control

Challenge	Corrective action
Communication with internal departments	Better collaboration

Table 160: Building control challenges

3.16.4 Service delivery statistics for land use development

The table below displays the applications for land use development:

Detail	Formalisation of townships		Rezoning	
	2017/18	2018/19	2017/18	2018/19
Planning application received	21	23	83	67
Determination made in year of receipt	2	3	31	6
Determination made in following year	19	20	52	61
Applications withdrawn	0	0	0	0
Applications outstanding at year end	19	20	52	61

Table 161: Applications for land use development

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The total number of applications received (i.e. formalisation of townships & rezoning) decreased by 13%. The decrease is primarily due to a significant decrease in the number of rezoning applications from 83 (2017/18) to 67 (2018/19). The date of determination is slightly misleading as a lot of the applications were received in the last four months of the financial year and 68 applications in total were approved in this financial year. There are approximately 81 applications in process that cannot be finalised due to outstanding information and comments from external departments that are still required.

The Breede Valley Municipal Land Use Planning By-Law came into effect on the 1st of December 2015. The Municipality is thus the decision-making authority and is investigating certain changes in the current by-law to streamline red tape and to comply with changing trends and planning legislation. The Municipal Planning Tribunal is fully operational, and Council approved the extension of the Municipal Planning Tribunal's term for a period of three (3) years.

The Municipality is also in the process of compiling an Integrated Zoning Scheme as required in terms of LUPA. The proposed Draft Standard Zoning Scheme By-Law as compiled by the Western Cape Provincial Government will be utilized as a basis to suite any specific need that the Municipality may have.

The Building Control Section has a rigid system of circulating and processing plans and are currently exploring digital options but are limited by budget constraints and personnel.

3.16.5 Employees: Town Planning, building control and GIS

The table below indicates the number of employees for town planning, building control and GIS:

Occupational Level	2017/18	2018/19			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	0	0	0	0	0
Senior Management	3	3	3	0	0
Middle Management and Professionals	6	7	6	1	14
Skilled Technical, Superintendents etc	2	2	2	0	0
Semi-skilled	3	5	4	1	20
Unskilled	0	0	0	0	0
Total	14	17	15	2	12

Table 162: Employees: Town planning, building control and GIS

3.17 LOCAL ECONOMIC DEVELOPMENT (LED)

BVM's strategic orientation with regards to LED implementation is centred on its ability to maintain its partnerships with the private sector, as well as with various community organisations to achieve its economic development goals. We are still embracing the different roles that both the private and public sector can offer to achieve economic development. The role of the Municipality is complimentary and that of the private sector commercial. Both spheres should play its part to achieve LED maturity. The Municipality is spending most of its resources on municipal infrastructure and service delivery backlogs which is a very good approach. In the absence of funding, the LED division must use innovative means by entering into agreements where we don't pay for services and depend on our networking abilities to support projects and ideas which were selected in our 2017-2022 LED Strategy. As in the past, the idea is to use the existing budget and leverage support from other government funding mechanisms. Focus will be on township regeneration initiatives by providing support to the RSEP initiatives that is under the domain of the project manager.

It is LED's role to furthermore ensure that projects and programmes that form part of the Strategy, is implemented and form part of the various reporting cycles in the BVM. In this report one can observe that we have achieved some outcomes with various projects which were identified in our long-term LED Strategy. Many of our longer-term initiatives are still in the planning phase or will be implemented in the approaching financial years. The City Improvement initiatives requires constant management and support work as the expectations from the various interest groups lead to real conflict at some intervals. The BVM, through its

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representatives, are keeping the Worcester Business Improvement company accountable to implement those activities which they have presented in their business plans while, on the contrary, the local business demand good quality municipal service delivery as they are also rate payers to the Municipality. The joint activities that are addressed ranges from:

- ☞ Making financial contributions to ensure that the cameras and armed response program is operational. There is a definite downward trend of crime in the CBD of Worcester
- ☞ Host and support events that can increase the visitor arrivals to our destination
- ☞ Participate in all the research and capacity initiatives of Touwsrivier, which form part of the Small-town regeneration initiative of SALGA
- ☞ Successfully established the Touwsrivier Local Tourism Association who was dysfunctional and now have a very active management structure and they employ a fulltime tourism officer
- ☞ Negotiate a long-term partnership with Exchange (a Belgian technical support agency in support of businesses to build networks and transfer capacity to the green economy that will be implemented during the 2019/20 financial year. The activities will range from receiving support in managing compost units and how to optimally work with waste)

BVM has drafted an LED Strategy in 2017 which still provides the context within which projects and programmes are framed for implementation, and these are:

- ☞ Establishing an SMME incubator service
- ☞ SMME's and the development of informal trade
- ☞ Supporting initiatives towards creating an enabling environment for green economy and other related commercial activities
- ☞ Promoting innovative tourism programmes
- ☞ Invest in infrastructure to unlock economic development
- ☞ Understanding poverty and inequality as it is a major source of under development
- ☞ Investing in business improvement zones
- ☞ Branding BVM as the Care Capital
- ☞ Doing a range of investment promotion initiatives to either retain existing companies, as well as attracting new ones
- ☞ Continue implementing an old catalytic project of disposing Uitvlugt to promote industrial development
- ☞ Reducing red tape
- ☞ Using smart procurement as a catalyst to affect local economic development
- ☞ Improving business zones by reducing crime and creating new ones like the Mtwazi corridor in Zwelethemba

3.17.1 Service delivery indicators: LED

The key performance indicator for LED is:

Ref	KPI	Unit of Measurement	Wards	2017/18		Overall Performance for 2018/19		
				Target	Actual performance	Target	Actual	
TL35	The number of FTE's created through the EPWP programme by 30 June 2019 (Person days / FTE (230 days))	Number of FTE's created through the EPWP programme by 30 June 2019	All	116	242.11	242	289.6	G2

Table 163: Service delivery indicators: LED

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3.17.2 Highlights: LED

The table below provide a brief description of the highlights for LED during the 2018/19 financial year:





Achievement/Highlight	Description
Assist the Project Manager of RSEP to organise the participation of various stakeholders in the formulation of a precinct plan that will regulate the planning for future investment in commercial infrastructure for the Mtwazi corridor in Zwelethemba. Busy with construction and LED has applied to the SME Booster fund to construct roofs over the demarcated informal trade facilities	It was a daunting assignment to ensure that there is enough buy-in from the local community as the community cannot always agree (especially in cases where there is limited budget). The idea is to establish a retail and trade corridor that will facilitate entry level commercial activity in a commercial space in the Zwelethemba township
Draw a record crowd to the Easter Monday Music Festival where more than 7000 festival goers attend the Easter 2019 music festival	As the drawing of visitor events is a key component in our LED Strategy, we have supported a municipal event that draw festival goers from all over
Establish an internal municipal steering committee after the completion of the Urban Vision Framework to ensure that there is enough lobbying and preparation to ensure that the funding towards the bypass route connecting the R60 with the N1 national road become a priority budget appropriation from the provincial government	The Uitvlugt although on the radar for funding allocation from the provincial government, is not as yet selected as a priority. Our work amongst others is to primarily package enough information and argue our case as to why it must become a priority for BVM in the process of allocation
Administer the BVM/WBID partnership meetings that provide much needed municipal business and private sector leadership for our city rejuvenation initiatives and the following projects are in operation: <ul style="list-style-type: none">  Tree planting  Security camera and armed response  Minor reparation works like packing  Municipal Engineering Department are tarring the pavements in the CBD 	<p>We are doing all the administration of the meetings and ensure that planned activities are executed. The idea for this forum is to ensure that the partnership operate at a leadership level.</p> <p>We also keep each other accountable as per the service level agreement that spell out expectations as well as the obligation of both the BVM, as well as the Worcester Business Improvement District</p>
LED also envisages to increase visitor arrivals, particularly from rail generated tourism. The facilitation work will continue as and when a lease will be adjudicated to a company that can restore and operate the rail infrastructure that is under the domain of the BVM	An agreement was reached with Exchange to send us an international business facilitator to assist the local tourism sector to develop a unique selling point for the Municipality in the tourism market
Organise a contractor development workshop in partnership with SEDA and the CIDB	There is pressure in municipalities to ensure that contractors from disadvantaged backgrounds are integrated in the procurement spend. Often these companies don't have the skills and other requirement to access a job. The purpose of these training programmes is to equip contractors to understand the rule of tenders and contracts

Table 164: LED highlights

3.17.3 Challenges: LED

The table below gives a brief description of all the challenges for LED during the 2018/19 financial year:

Challenge	Corrective action
LED officer post is vacant since February 2019	Post was advertised as per the advertisement selection procedures of the BVM
Very limited funding for the promotion and support towards small and medium enterprises	Allocate funding toward these domains of work. Work in partnership with SEDA and other micro business organisations to maximise the impact
Additional LED officer to support projects and initiatives in the smaller towns	Continue to motivate that such a position must be included on the staff establishment and that funding be awarded for this post
Full time Data Support Clerk in EPWP to establish continuity	Continue to motivate that such a position must be included on the staff establishment and that funding be awarded for this post

Table 165: LED challenges

The core focus of the new 2017 -2022 LED Strategy is to retain existing businesses and to attract new companies that can settle for the purposes of value-adding in the local economy. Our aim is to build regional competitive advantage and to reach a stage where district-wide business organisation's operations, are interlinked, have stable cash flows and require foresight to invent new business concepts. Such companies must demonstrate the kind of leadership and innovation, have the necessary infrastructure and ability to leverage various types of partnerships for economic development in our area.

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The following variables are critical to achieve LED maturity:

- 🌀 Collective buy-in to our future vision by a range of local organisations;
- 🌀 Strong pro-active business as well as municipal leadership;
- 🌀 Efficient institutional and organisational know-how of access to opportunities to implement strategies and projects;
- 🌀 Entrepreneurship (which is the ability of a breed of people within the public and private sector that can utilise our natural resource endowments to exploit market conditions and produce products and services at low cost) and thus effect beneficiation;
- 🌀 Our idea is to create and support a whole range of institutions in the field of community and economic development that can assist us to reach our objectives;
- 🌀 We have also decided to motivate local companies to explore the advantage in positioning themselves in green economy solutions; and
- 🌀 We are fully informed that if the Eastern Bypass can be constructed it will make the Uivlugt Industrial park financially feasible for the private sector, this development can change the economic viability and maturity of the local economic ecosystem.

3.17.4 LED Strategy

Our LED strategic goals ignited a range of interventions that are under the domain of different departments through themes of city improvements, infrastructure for economy development and creating opportunities for the needy. The implementation of these catalytic initiatives must be implemented over the long-term as it takes time for government departments to develop synergy in planning and resource allocation.

Strategic areas	Description
To ensure that funding be set aside for the Eastern Bypass as it was also triggered by the Transhex Housing Project	A motivation letter and the urban vision sent to the relevant provincial minister for consideration
Using the huge appeal of mountain bikers to propose our mountainous rural appeal as an aspect of comparative advantage in hosting the world no 1 mountain bike race, the Cape Epic	To develop routes and the whole value chain behind the mountain bike concept for implementation by the private sector. The Municipality will just engage in complimentary activities
To orientate and position our Technical Department in green economy as it can present much needed opportunities for entrepreneurship	To explore the opportunities in compost making as we already observed activity with entrepreneurs working with all forms of waste
Solve the issue of homeless people through partnerships with civil society organisations	To embrace an approach where the homeless people can be assisted with their challenges to be integrated with their families
Engage in township regeneration initiatives if funding can be accessed	Implement and support a range of business activities around the Mtvasi corridor in Zwelethamba

Table 166: LED strategic area

3.17.5 Service delivery priorities: LED

In working towards the achievement of the long-term LED goals the following progress was achieved:

Objectives	Strategies
Negotiate agreements with two respective agencies, Exchange from Belgium and PUM from the Netherlands (which are both technical consultancy agencies in developed economies), which provide professional services for certain programmes in our long-term LED Strategy and provide advice in how to initiate green economy initiatives	Exchange will provide technical advice and support from private sector organisations in Belgium to assist our local businesses in how to position us in the mountain bicycle sector and to arrange all our communications accordingly
Issue security cameras and the armed response were dealt with. The Worcester Business Improvement Company has started to do some repairs in the CBD. Tree planting has also commenced and this year the WBID and the BVM will focus on how to roll-out a locally arranged parking management system. The BVM Technical Department have complimented this initiative with the tarring of pavements and made repairs of robot switches to reduce the challenges for people with disabilities	All these activities are geared to build a resilient business area that will lead to the expansions of existing business and the attraction of new businesses to our municipal area

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Objectives	Strategies
To work with tourism-based organisations to prepare our destination to implement a 5-year programme to position us to place of preference for mountain bike events as well as the to prepare and market our entire region to accommodate various MTB events	To develop a unique selling point by deploying our natural asset such as the mountainous routes and clean air as a source of comparative advantage over other competing destinations

Table 167: LED objectives and strategies

3.17.6 Economic activity

The table below identifies the economic activity within the different sectors:

Sector	R million value 2017	Trend 2008 - 2017	Real GDP Growth 2018e	Number of jobs 2017	Trend 2008 - 2017	Employment (net change) 2018e
Primary Sector	1 510.80	2.4	-3.9	20 394.00	-9 057.00	-520.00
Agriculture, forestry and fishing	1 484.20	2.5	-3.9	20 356.00	-9 051.00	-518.00
Mining and quarrying	26.5	0.8	-2.8	38	-6	-2
Secondary Sector	2 645.90	1.3	1.0	10 304.00	1 628.00	195.00
Manufacturing	1 705.00	0.9	1.5	5 961.00	72.00	5.00
Electricity, gas and water	241.6	-3.1	-1.0	184	27	-9
Construction	699.4	5.2	0.0	4159	1529	199
Tertiary Sector	8 405.00	3.0	1.5	52 917.00	15 356.00	1 556.00
Wholesale and retail trade, catering and accommodation	2 307.20	3.0	0.7	17 393.00	5 412.00	450.00
Transport, storage and communication	1 316.20	1.6	1.1	3 060.00	1 207.00	40.00
Finance, insurance, real estate and business services	2 506.40	5.3	3.3	13 092.00	5 131.00	955.00
General government	1 267.40	1.0	-0.3	6 755.00	574.00	21.00
Community, social and personal services	1 007.80	1.6	0.5	12 617.00	3 032.00	90.00
Total Breede Valley	12 561.70	2.5	0.8	83 615.00	7 927.00	1 231.00

Source: Quantec Research, 2019 (e denotes estimate)

Table 168: Breede Valley GDP and employment performance per sector, 2017

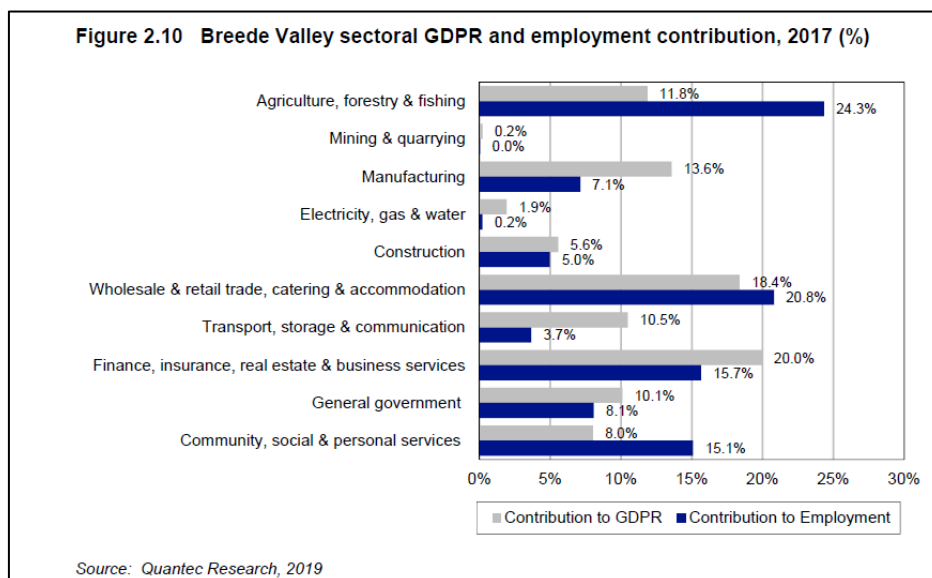


Figure 4: Breede Valley sectoral GDP and employment contribution, 2017 (%)

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3.17.7 LED initiatives

LED is about creating an enabling environment for business but, moreover, to engage in a series of complimentary activities that will indirectly benefit business. During the 2018/19 financial year the projects that are depicted in the table hereunder were implemented with a view to address aspects linked to SMME development that were isolated for implementation during our last strategy development process:

Description of the project	
Host an information workshop where we have targeted entrepreneurs from Zwelethemba which wanted to benefit from construction opportunities in the Mtvasi corridor as well as the Transhex Housing schemes	This was the first component of a long-term initiative in the community of Zwelethemba
An economic opportunities workshop in Touwsrivier to discuss future business development that will be feasible in Touwsrivier	We will use the funding of RSEP to improve the Touwsrivier community and use public sector funding as a basis to unlock investment

Table 169: LED initiatives

The demand for EPWP is increasing as the economy is shedding jobs, and as young people are using the programme to equip themselves with experience, which plays a critical role when you apply for similar jobs in the future. There is a tendency to select those with skills coupled with work experience for jobs in both the private and public sectors.

Jobs created through EPWP projects			
Project details	Number of EPWP appointments		
Projects included the following: <ul style="list-style-type: none"> Solid Waste & Area Cleaning Fire General Workers Fire ECO's Firebreak & Ground Clearing EPWP Data Capturers Law Enforcement Security Baboon Monitors Electricity Data Capturers Electricity General Workers Roads Maintenance Nekkies Finance Ward Administrators Library Assistants Waste Water Treatment Finance Clerk Learnership Housing Waste Water Treatment Clerk Fire Data Capturers Fire Educators Parks Building Front Desk Receptionist Illegal Dumping Monitors Sortsfield Caretakers 	Work opportunities		
	Target: 652	Performance: 1 319	
	FTE's generated		
	Target: 155	Performance: 289.6	

Table 170: Job creation through EPWP projects

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3.17.8 Employees: LED, tourism and marketing

The table below indicates the number of employees for LED, tourism and marketing:

Occupational Level	2017/18	2018/19			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	0	0	0	0	0
Senior Management	1	1	1	0	0
Middle Management and Professionals	3	3	2	1	33
Skilled Technical, Superintendents etc	0	0	0	0	0
Semi-skilled	1	1	1	0	0
Unskilled	0	0	0	0	0
Total	5	5	4	1	20

Table 171: Employees: LED, tourism and marketing

3.18 TOURISM

3.18.1 Aim and function of tourism section

The aim of the BVM tourism is to:

- ☉ Increase the visitor arrivals by implementing our annual operational plan in support of our 5-year strategy for tourism.
- ☉ Improve our efficiency as a destination through various training and capacity building programmes.
- ☉ Strive to improve the product mix and to appeal to various segments of the tourism market.
- ☉ Building the marketing brand of the BVM by supporting a range of events to support our brand, that our destination is indeed very busy and open for visitors.
- ☉ Explore new and innovative ideas to lure additional tourist which can sustain more tourism businesses in our destination.
- ☉ Compliment and support the work of all four local tourism associations in our municipal area.

The BVM Tourism is a structure that function directly under the leadership of the Portfolio Councillor for LED and Tourism, as well as the Manager: Local Economic Development and Tourism in the Breede Valley Municipality. Although the municipality is legally entrusted with the tourism function, we are implementing tourism in partnership with the private sector (which organise themselves into local tourism associations). We are supporting these LTA'S financially, although funded through their internal membership fees, the membership is not always cost reflective, and to

mitigate these we are providing them with some annual financial support to ensure that its operations, and the capacity to hosting of certain key events does occur. These transfers are always regulated through section 67 of the MFMA service level agreements. We are also doing marketing and promotion work at most of the big tourism trade shows where we sell our destination to various tour operators that facilitate the travel arrangements of various tourist to pre-packaged tourism destinations.

Furthermore, we are providing leadership and support to our four local tourism associations called: Breedekloof LTA, Worcester LTA, Hex River LTA, and Touwsrivier LTA. Our work is complimentary as we are merely supporting and steering the local tourism industry which ultimately benefit and are dependent from the commercial activities which are providing them with much needed cash flows to sustain their businesses in tourism. We are meeting monthly, over and above the monthly and quarterly reports that they must present to us. This consultative arrangement is very productive for the coordination and promotion of tourism in the BVMs tourism destination.

As a consequence of our support on the longer term all our local tourism is functioning at above average level, secondly all of them have the capacity to host various tourism events and thus building gradually to improve our tourism brand, that we are a destination that is very busy and responsive to the needs of visitors. The BVM tourism is always including our local tourism associations when we are planning our annual publicity and marketing

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events. Although the LTA's function as a separate entity they have sense of belonging by actively receiving support and recognition for their efforts of building the BVM tourism brand.

We implemented the following activities during 2018/19:

- 🌀 Publish 2 full pages x 4 quarters in the Weg!Go! Magazine Publications which is inclusive of a digital campaign (Facebook, Twitter, Newsletter posts x 4 months)
- 🌀 Advertised in the SA Info Mags Publication – A4 Double Spread Colour Advert
- 🌀 Hosted 2 Educationals for Media tour groups
- 🌀 Support 9 tourist events that demonstrated potential to increase visitor arrivals
- 🌀 Provide in-service training and exposure for a tourism student
- 🌀 Facilitate and update the BVM tourism Social Media (Facebook/Instagram/Twitter)
- 🌀 Arrange the upgrade and continuous maintenance work at the Jean Weltz Gallery

- 🌀 December Welcoming Campaign
- 🌀 Host and organise BVM Market Day (once every month)
- 🌀 Utilise the designated tourism destination marketing space provided by the Mountain Mill Mall (Worcester Tourism Association)
- 🌀 Represent the BVM at the Cape Winelands/Overberg RTLC meetings (Bi-monthly)
- 🌀 Represent the BVM at the Cape Winelands LTA meetings (Bi-monthly)
- 🌀 Represent the BVM at the WesGro RTO Forums (Quarterly)
- 🌀 Represent the BVM at the Business of Food & Wine Tourism Conference
- 🌀 Host BVM LTA meetings (Bi-monthly)
- 🌀 Represent the Breede Valley at 2 Trade Shows (World Travel Market, Tourism Indaba)
- 🌀 Represent the BVM at CWDM, WesGro and NDT workshops
- 🌀 Organise the marketing and public participation of the Kwêla Town of the Year competition
- 🌀 Represent the BVM at the Mandela Day Outreach with CWDM



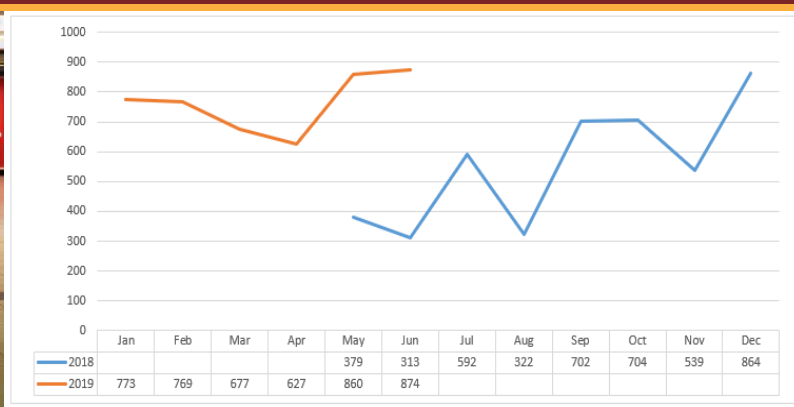
Maintenance at Jean Welz Gallery



December Welcoming Campaign



Tourism marketing space provided at the Mountain Mill Mall, Worcester



Visitor statistics

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Mandela Day Outreach

3.18.2 Overview of the Breede Valley tourism product portfolio

The product portfolio of the Breede Valley area consists of nine product types as exhibited in the table below together with a brief descriptive phrase for each category.

Tourism product	Definition of product
4x4 & camping	Routes for 4x4 enthusiasts and camping enthusiasts which attract families that have the ability to spend on leisure
Wine routes that encourage food and drink	The Breede Valley boasts with two wine routes. The Breedekloof Wine Route and the Worcester Wine Route
Craft beer & gin	The Breede Valley boasts with 6 craft beer and 4 very well-known craft gin breweries
Hiking & cycling	MTB & hiking routes for enthusiasts who love nature and the outdoors
Heritage	The Worcester Museum and the Heritage Walking Route present excellent opportunities with its historical gems in the form of old building and museums
Arts & crafts	Art galleries, local markets & an arts & craft village
Shopping & casino	The Breede Valley boasts with a shopping mall and a casino, as well as a square with artisanal shops
Game reserves	The Breede Valley boasts with two big-five game reserves and numerous other game reserves with game viewing trips
Artisanal products	The Breede Valley boasts with two coffee roasters and an artisanal bakery
MICE meetings, incentives conference and exhibitions	Due to our geographic and central location in the Western Cape Province our destination is ideal for various meetings, conferences and training workshops which create downstream value adding income potential
Outdoor living and sports	The mountains, rivers and clear sky make our destination ideal for river rafting, fishing, canoeing and mountain climbing especially targeting the middle class in Cape Town which is near. We are endowed with all the beautiful lakes and irrigation dams that is ideal for aquatic sports and tri-athlons or simple recreational yachting

Table 172: Breede Valley tourism product portfolio

The tourism portfolio of Breede Valley is diverse and largely undiscovered. Not surprisingly, eco-tourism takes prime position, supplemented by strengths in adventure, leisure, tourism and cultural attractions. Serenity, tranquillity and hospitality are constant themes throughout the region and it is the combination of these characteristics and the unspoilt and unpolluted environment, which should be maximised to entice tourists to the Breede Valley region. We have put lots of effort to finalise the marketing strategy to inform our plans in how we will market all the events and key propositions of our destination.

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3.18.3 Training/Development

The Municipality hosted matriculants for two days to do job shadowing in the profession they are interested in. The tourism office received 1 student from HTS Drostyd.

During the 2 days of job shadowing, we educated the student on all procedures pertaining to tourism. The student helped with setting-up a media educational itinerary and visited the sites. The student also accompanied us to a tender clarification meeting, to experience some of the other tasks that Tourism/LED must attend to.

The tourism officer is also busy with ongoing training towards the new Touwsrivier Tourism Association Public Relations Officer.

3.18.4 Tourism awareness/events

Annual events in the Breede Valley region included the following:

Annual event	Date
Breede Valley Park Run	Every Saturday
Pure Boland Market – Groen Stoor	Monthly
Colour Splash Festival in Breedekloof	3 November 2018
Hex Valley Night Challenge	24 November 2018
NID Dusk till Dawn Trail Run	23-24 November 2018
Overhex Picnic & Live Show	26 January 2019
Open Air Concert @ Picardi Place	9 February 2019
Real Rieldans Festival, Touwsrivier	2 March 2019
Hanepoot Festival & Market	9 March 2019
Day in the Life of a Winemaker & Beer Brewer @ Kirabo	10 & 17 March 2019
Worcester Vintage Car Festival	23-24 March 2019
Gravel & Grape MTB Event	3-5 May 2019
Nuy Valley Festival	11 May 2019
Pioneer School Heaven & Hills MTB	1 June 2019

Table 173: Tourism awareness/events

3.18.5 Expo's

We managed to attend the following expo's which market our destination to tour operators:

- 🌀 World Travel Market Africa – 10 - 12 April 2019, Cape Town International Convention Centre, Cape Town
- 🌀 Africa Tourism Indaba – 02-04 May 2019, Durban International Convention Centre, Durban



World Travel Market Africa, Cape Town



Africa Tourism Indaba, Durban

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The BVM work in partnership with the Cape Winelands District Municipality to fulfil our tourism mandates by joining hands to present at destination marketing expo's.

3.19 INTEGRATED DEVELOPMENT PLAN (IDP)

The IDP section focused on the following functions:

Community participation:

The focus on community participation relates mainly to the participation of the local community in the planning activities of the Municipality, which informs the IDP and budget processes.

A schedule of community participation engagements was approved by Council, based on the municipal IDP/budget process plan. These engagements were published in the local press for community inputs and information. BVM engagements take place in accordance with the approved Public Participation Policy to promote and stimulate participatory democracy. During the October 2017 public engagements, a total of 923 community members attended, while participation rates increased during the April/May 2018 engagements with 1 325 community members attending. These engagements served as a platform for communities and stakeholders to provide their inputs pertaining to the compilation of the 2018/19 IDP and budget. During the 2019/20 IDP and budget planning cycle, a total of 445 community members attended the public engagement session scheduled in October 2018. The participation rate increased by 118.43% (to 972 community members/stakeholders in attendance) during the March/April 2019 engagements.

Ward committees:

The launch of the ward committee election project for the new term proved successful.

Ward committees were established in all 21 wards. The municipality pays out-of-pocket expenses to ward committee members at a rate of R400/member for attending and participating in official ward committee meetings. The allocated budget allowed for 4 such meetings per ward committee per year. Payments are made on presentation of the minutes and attendance register to the Office of the Speaker. These minutes and attendance registers allows the municipality to gauge the functionality of ward committees.

Functionality of ward committees

Ward committees currently meet on a regular basis based on a formal meeting schedule adopted and communicated with the Office of the Speaker. A complete ward committee administrative support structure is needed to address some of the functionality challenges.

Furthermore, the revision of the composition of these ward committees was considered. If the ward area is divided into three or more communities, or if there is a vast area that must be covered in the ward, the suggestion was that the composition of that specific ward must be changed from sectoral/portfolio-based to geographical representation or a combination of sectoral/portfolio based and geographical representation. This would mean that a ward committee member will not only deal with issues related to his or her portfolio, but rather attend to all matters across all sectors in that community or section of the ward.

This will not guarantee a 100% improvement rate of issues reported being solved, but it will allow the ward committee to attend to all matters as it arises daily.

The amount of ward committee meetings can/should also be increased to a minimum of 6 per year to allow for more community matters being dealt with and report back or feedback opportunities to the community by the ward councillor and ward committee.

More regular feedback sessions in the form of public meetings will create a better environment for community participation.

Once the community gets more involved and are made part of all processes, a higher level of participation can be expected.

The functionality of a ward committee must be conceptualised by the Municipality through the following initiatives:

1. Create a better support structure for the ward committees.
 - a. Dedicated public participation unit
 - b. Ward administration offices with ward administrators
2. Establish better communication between the municipality, the ward committee and the community.

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- a. Monthly communication to the communities must take place
 - b. Issues reported and discussed at ward committee meetings must be filtered to the relevant departments in higher levels of urgency
3. Help create more awareness and education around the ward committees in all wards.
 4. Must develop ward plans containing community projects and programme for development in line with the IDP and ward priorities.
 5. Ensure that ward councillors are educated on their responsibilities and be held accountable for the performance of their ward committees.

COMPONENT D: COMMUNITY AND SOCIAL SERVICES

3.20 LIBRARIES

The library service ensures the provision of library and information services to communities in a sustainable manner by promoting a culture of reading, library use and learning.

The service is provided in co-operation with the Western Cape Provincial Library Service.

Libraries are resource centres for adults and children. The public can access or borrow books, music CD's, videos, CD-ROMs, newspapers and periodicals at all the local libraries. Worcester Library also deliver a service to the blind and partially sighted via the Tape Aid for the Blind and equipment was installed at Goudini Library to serve as an access point for the Library for the Blind. The official launch was held on 9 October 2018. The RLCP (Rural Libraries Connectivity Project) is a free computer/internet service to the public via the Provincial Library Service. This service is available at all service points except, due to very limited space, at Overhex Mini Library.

Libraries maintain and develop information resources and develop staff members with in-service training and other skills.

3.20.1 Highlights: Libraries

The table below gives a brief description of all the highlights for libraries during the 2018/19 financial year:

Highlight	Description
Library for the Blind Project	The Library for the Blind in Grahamstown started with a project by launching mini libraries for the blind and visually impaired. Even illiterate people can make use of the facility and the audio books. The mini library at Goudini Library features a computer, including software, daisy players to all members, audio books, a document reader and branding material and furniture. The mini library was officially launched on 9 October 2018 and already has 44 registered members
Oral History Project	On 15 October 2018, the Western Cape Minister of Cultural Affairs and Sport, Ms Anroux Marais, officially launched the Oral History Initiative in the Breede Valley Municipality in Worcester. The Oral History initiative aims to capture and preserve the unique stories of communities within the Western Cape. The library service of the Municipality, a partner in the project, identified the storytellers and assisted with arrangements for the launch. The community can now borrow the recorded interviews at the different libraries

Libraries also develop organised systems with other relevant government departments and community organisations to enhance service delivery to our communities. The launch was held at Worcester Museum on 15 October 2018.

Five mini-libraries (community libraries) were established during the past few years and deliver a service to rural areas.

	2017/18	2018/19
Total circulation statistics (Library material used during the financial year) :	309 821	313 666
In-house usage (People using libraries during the financial year) :	321 881	284 931
Outreach programs/promotional activities/group visits/displays:	926	1 016
New members:	3 791	2 795

Table 174: Membership and outreach statistics

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Highlight	Description
World Read Aloud Day	All libraries participated in this project in February 2019 and made a big effort to include as many learners as possible

Table 175: Library highlights

	
Waterloo Library construction	Story time De Doorns Library
	
Goudini Library for the Blind	Story time Steenvliet Library

3.20.2 Challenges: Libraries

The table below gives a brief description of the library challenges during the 2018/19 financial year:

Challenge	Corrective action
Safety and Security	Safety and Security is still a challenge due to libraries being public buildings. Librarians are reporting on security services on a monthly basis. Due to financial constraints libraries do not have proper qualified, trained security staff. We at least have EPWP staff to fill the positions of security staff
Library users not returning library material	Librarians want to make people aware of the importance of reading but is experiencing high volumes of losses. We are, however, contacting library users on a regular basis and fine free weeks/periods are organised on a quarterly basis
Underfunded mandate (B 2 municipality)	The Municipality is a B2 Municipality and only a certain percentage of the salary budget is provided for by the Provincial Library Service. The Provincial Library Service made provision for capital funding for the upgrade of Worcester Library. Very little capital funding is provided by the Municipality and it is very difficult to replace redundant equipment. The Municipal

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Challenge	Corrective action
	Manager signed a Memorandum of Agreement and implementation protocol for 2019/20 with the Provincial Library Service
Rural Library Connectivity Project and Wi-Fi	Although delivering a very good service to the community, technical problems are experienced regularly. Proper communication with the relevant provincial departments is problematic. Wi-fi was made available at hotspots (some libraries were identified per municipal ward). Communication is problematic as well. The problem areas are communicated with the Provincial Library Service. An IT Cadet will be appointed permanently during 2019/20 and will resolve some of the technical problems in co-operation with the provincial technicians
Upgrading of Worcester Library	Approval was granted for the roll-over of funding for the project. The building project was started in February 2018 and although technical problems were experienced with the contractor, good progress was made by the end of June 2018. A further request for the extension of funding from Provincial Treasury was approved for the 2018/19 financial year (R500 000). The library was closed for long periods due to very high noise levels during demolition of concrete. It had a negative effect on in-house usage, circulation and school group visits. 95 % of the budget was spent by the end of June 2019. Due to poor planning from the contractor, practical completion has not been reached by 30 June 2019. Although the library was open for most of the financial year, the restricted area had a negative impact on in-house usage, outreach programs and school group visits. The project manager will continue to manage the project until practical completion and final completion have been reached

Table 176: Library challenges

3.20.3 Service statistics: Libraries

Type of service	2017/18	2018/19
Libraries		
Number of libraries	8 plus 5 mini libraries	8 plus 5 mini libraries
Library members	34 106 (June 2018)	27 602 (June 2019)
Books circulated	308 964	313 382
Exhibitions held	427	408
Internet users	45 892	38 406
New library service points or Wheelie Wagons	None (Upgrade of Worcester Library in progress)	None (Upgrade of Worcester Library in progress)
Children programmes	192 plus 2 144 toy library participants	197 plus 1 564 toy library participants
Visits by school groups and crèches	137	281
Book group meetings for adults	8	8
Primary and secondary book education sessions	4	2

Table 177: Service statistics: Libraries

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3.20.4 Service delivery indicators: Libraries

The key performance indicator for libraries is:

Ref	KPI	Unit of Measurement	Wards	2017/18		Overall Performance for 2018/19		
				Target	Actual performance	Target	Actual	
TL1	Spend 95% of the project budget approved for the upgrade of the Waterloo Library by 30 June 2019 {(Actual project expenditure/Total project budget)X100}	% of the project budget spent	12	95%	13.83%	95%	95.09%	G2

Table 178: Service delivery indicators: Libraries

3.20.5 Employees: Libraries

The table below indicates the number of employees for library services:

Occupational Level	2017/18	2018/19			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	0	0	0	0	0
Senior Management	1	1	1	0	0
Middle Management and Professionals	8	10	9	1	10
Skilled Technical, Superintendents etc	0	0	0	0	0
Semi-skilled	27	28	27	1	4
Unskilled	10	11	11	0	0
Total	46	50	48	2	4

Table 179: Employees: Libraries

3.20.6 Capital expenditure: Libraries

The table below indicates the amount that was actually spent on library service projects for the 2018/19 financial year:

Capital projects	2018/19				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
Waterloo: Upgrade library	900 000	6 115 001	5 814 896	300 105	6 115 001
Waterloo: Replace equipment	45 000	42 143	44 786	-2 643	42 143
Total all	945 000	6 157 144	5 859 683	297 462	

Table 180: Capital expenditure 2018/19: Libraries

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3.21 CEMETERIES

There are 14 cemeteries in the Breede Valley area that resort under the jurisdiction of the Municipality. Seven cemeteries are operational (one in each of the four towns, as well as Sandhills and Zwelethemba and the pauper cemetery named Hartebees in Worcester), five officially closed and two are full.

Cemetery	Air Space	Status		
		Open	Full	Closed
Hartebees	Sufficient	Yes		
De Wet			Yes	
Cemetery (Worcester Prison)				Yes
Old Cemetery Le Seuer Street				Yes
Worcester New Cemetery	Sufficient	Yes		
Touwsrivier (Town Cemetery)				Yes

Cemetery	Air Space	Status		
		Open	Full	Closed
Steenvliet	Touwsrivier extension in the planning stage	Yes		
Zwelethemba	Sufficient	Yes		
Sandhills	Sufficient	Yes		
Aan De Doorns Cemetery				Yes
Rawsonville Cemetery	Sufficient	Yes		
De Nova Cemetery				Yes
Weltevrede, De Doorns	Sufficient	Yes		
Old De Doorns Municipal Cemetery			Yes	
		7	2	5

Table 181: Status of cemeteries

Total burials per area for 2018/19 are as follows:

Month	Area									Total
	Nuwe Worcester	Hartebees	Sandhills	Zwelethemba	De Doorns: Weltevrede	Touwsrivier: Steenvliet	Rawsonville	De Wet	Aan De Doorns	
July 2018	45	13	8	17	29	5	21	0	0	138
August 2018	38	12	7	7	21	6	2	0	0	93
September 2018	48	0	4	13	18	6	10	0	0	99
October 2018	42	0	4	12	15	8	15	0	0	96
November 2018	47	5	1	8	15	7	10	1	0	94
December 2018	33	0	2	13	19	7	8	0	0	82
January 2019	39	3	1	4	17	2	10	0	0	76
February 2019	33	7	1	7	18	6	6	0	0	78
March 2019	36	0	2	13	17	9	13	0	0	90
April 2019	31	5	1	13	14	10	7	0	0	81
May 2019	44	1	0	8	19	7	5	0	0	84
June 2019	63	0	15	15	24	11	13	0	0	141
Total	499	46	46	130	226	84	120	1	0	1 152

Table 182: Total burials per area

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3.21.1 Employees: Parks and cemeteries

The table below indicates the number of employees for parks and cemeteries:

Occupational Level	2017/18	2018/19			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	0	0	0	0	0
Senior Management	0	0	0	0	0
Middle Management and Professionals	2	2	2	0	0
Skilled Technical, Superintendents etc	2	4	3	1	25
Semi-skilled	17	19	18	1	5
Unskilled	29	39	27	12	31
Total	50	64	50	14	22

Table 183: Employees: Parks and cemeteries

3.22 REGIONAL SOCIO-ECONOMIC PROGRAMME (RSEP)

BVM was selected as one of three municipalities to take part in the RSEP of the Western Cape Department of Economic Affairs and Development Planning (DEA&DP) with Saldanha- and Swartland municipalities. The aim of the programme is to improve personal safety and opportunity in the poorest areas with the highest crime rates. The suburbs of Avian Park, Riverview, Roodewal and Zwelethemba are included in the BVM focus areas.

A big part of the initial focus in the 2015/16 financial year was thrashing out the practical issues of the implementation over the four-year duration of the RSEP in a series of workshops with colleagues from DEA&DP, Saldanha- and Swartland municipalities. Several public meetings were held to determine needs and identify projects to address these. On 16 November 2015 Council approved a Portfolio of Interventions for each of the four suburbs in the BVM focus area. DEA&DP also approved the Portfolio of Interventions which enabled BVM to move into the implementation phase of RSEP.

During the 2016/17 financial year the following projects were completed:

- ☞ The construction of the Riverview neighbourhood centre
- ☞ Tar-surfaced netball courts in Avian Park, Riverview, Roodewal and Zwelethemba (one in each suburb)
- ☞ Construction of grassed soccer pitches in Avian Park and Riverview
- ☞ Fencing of the above

During the 2017/18 financial year the following projects were completed:

- ☞ The fencing of various public facilities created through RSEP, at the communities' request. These include the Roodewal neighbourhood centre, Roodewal netball court, Roodewal mini-soccer astro-turf, Riverview netball court, Riverview mini-soccer astro-turf and Touwsrivier recreation area
- ☞ The construction of the Roodewal neighbourhood centre
- ☞ The construction of pedestrian walkways in Avian Park, Riverview and Roodewal
- ☞ The construction of braai stands with benches in Roodewal and Touwsrivier
- ☞ The installation of floodlights in dark passages which were dangerous for pedestrians in Touwsrivier
- ☞ The construction of mini-soccer astro-turf pitches in Avian Park, Riverview, Roodewal and Zwelethemba
- ☞ The construction of a concrete cricket pitch with a compacted outfield in Roodewal
- ☞ The engineering design of a pedestrian bridge over the Donkies River in Touwsrivier
- ☞ A review of the Portfolio of Interventions for Avian Park, Riverview, Roodewal and Zwelethemba was done and one was compiled for Touwsrivier (which had been added to the programme). Both of these were approved by Council and DEA&DP.

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During the 2018/19 financial year the following projects were undertaken:

- 🌀 Construction of three tar-surfaced playing areas in Touwsrivier
- 🌀 Construction of artificial grass mini-soccer pitches in Avian Park, Riverview, Roodewal and Zwelethemba (one in each suburb)
- 🌀 Fencing of the above
- 🌀 The purchase of steel playground equipment for Touwsrivier
- 🌀 The upgrade of Mtwazi Street road reserve for improved pedestrian, recreational and informal trading facilities was commenced. It is a multi-year project which will be completed in 2019/20
- 🌀 The construction of a pedestrian bridge across the Donkies River in Touwsrivier was commenced. It is a multi-year project which will be completed in 2019/20

COMPLETED PROJECTS



COMPLETED PROJECTS



COMPLETED PROJECTS



COMPLETED PROJECTS



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3.22.1 Service delivery indicators: RSEP

Ref	KPI	Unit of Measurement	Wards	2017/18		Overall Performance for 2018/19		
				Target	Actual performance	Target	Actual	
TL31	Spend 90% of the budget allocated for the Regional Socio Economic Programme by 30 June 2019 {(Actual expenditure divided by the total approved capital budget) x 100}	% of budget spent	12; 21; 11; 13; 14; 10; 9; 8; 16; 17; 18	90%	84%	90%	80.79%	0

Table 184: Service delivery indicators: RSEP

3.22.2 Capital expenditure: RSEP

The table below indicates the amount that was actually spent on RSEP for the 2018/19 financial year:

Capital projects	2018/19				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
MM PM: Construction of tar-surfaced playing areas in Touwsrivier	650 000	793 811	793 811	0	793 811
MM PM: Construction of pedestrian bridge over Donkies River in Touwsrivier	350 000	764 000	501 608	262 392	764 000
MM PM: Shared Economic Infstr Facility for inf traders in Zweletemba	2 200 000	3 270 080	2 698 312	571 768	3 270 080
MM PM: Steel playground equipment Touwsrivier	0	53 987	45 400	8 587	53 987
MM PM: Sewer connection for Riverview neighborhood centre	0	170 000	38 180	131 820	170 000
MM PM: Equipment	0	60 540	52 882	7 658	60 540
Total all	3 200 000	5 112 418	4 130 193	982 225	

Table 185: Capital expenditure 2018/19: RSEP

3.23 PARKS

The improvements and new developments to parks during 2018/19 can be seen from the table below:

Park	Suburb / Town
Fencing of sporting facilities	Avian Park
Development of two play parks for children	Zwelentemba

Table 186: Improvements and developments to parks

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3.23.1 Capital expenditure: Parks

The table below indicates the amount that was actually spent on parks for the 2018/19 financial year:

Capital projects	2018/19				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
Parks: Brushcutters	0	47 970	47 970	0	47 970
Parks: Chainsaw (Replacement)	0	15 914	15 913	1	15 913
Parks: Ride-on lawn mower	0	44 435	44 435	0	44 435
Steel boxes - Cementries (x10)	0	164 000	164 000	0	164 000
Parks: Blower mower en bossieslaner (x2)	0	50 050	50 050	0	50 050
Parks: Furniture & Equipment	0	4 975	4 975	0	4 975
Parks: Giftenk	0	43 500	43 290	210	43 500
Parks: 2 Way Radios (x8)	0	17 160	17 160	0	17 160
Total all	0	388 004	387 793	211	

Table 187: Capital expenditure 2018/19: Parks

COMPONENT E: ENVIRONMENTAL PROTECTION

According to section 156(2) of the Constitution, a municipality may make and administer bylaws for the effective administration of matters that it has the right to administer. Air pollution is listed as a matter in which local government has authority and national and provincial government may not compromise or impede a municipality's right to exercise its powers or perform its functions.

3.24 POLLUTION CONTROL

Introduction

The National Environmental Air Quality Act, No. 39 of 2004 (NEM: AQA) states that air quality monitoring is a local municipality function and the district municipality manages the licensing of listed activities. BVM must comply with the following statutory requirements:

- 🌀 Appointment of an Air Quality Officer (AQO)
- 🌀 Development of an Air Quality Management Plan (AQMP)
- 🌀 Incorporation of the AQMP in the IDP of the Municipality.

Status Quo of Air Quality Management Plan

The AQMP of BVM was developed by the AQO and adopted by Mayco in June 2017 (Resolution EX17/2017). The "Implementation Plan" as described in the AQMP defines its goals and is divided into specific objectives. The following table summarises the current status quo as at 30 June 2019:

Requirement	Status	Comment
Air Quality Officer	In place	Appointed 31 July 2015
Air Quality Management Plan	Completed	Adopted by Mayco June 2017
AQMP incorporated in IDP	Yes	Chapter 5, Section 6.1(f)
Budget allocated for AQ	No	No cost centre exists, thus no budgeted funds available

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Requirement	Status	Comment
Capacity – Human Resources and skills	Limited	<ul style="list-style-type: none"> ☞ AQO has other functions ☞ Co-opt laboratory staff when needed ☞ Air quality monitoring and EMI training opportunity will arise towards the end of 2019
Complaints register	Design of the register in process	Total of 5 complaints attended to for 2018/19. Details available on request
Site visits / Inspections	Continuous activity	Local AQO accompanied district and Provincial Government AQOs on two occasions during the 2018/19
Emission inventory list	In progress	Internal project initiated by AQO to quantify the number of fuel burning appliances and other emitters within the Municipality
Establishment of Local AQO's forum within district	Not yet	AQO officer of Cape Winelands District Municipality to drive this process
Educational awareness in terms of AQ	Not yet	Arrange a meeting with Communication Manager of BVM to kickstart campaign

Table 188: Status Quo – AQMP Implementation Plan

Air Quality By-law

A draft Air Quality By-Law has been compiled by the AQO and forwarded to the Senior Manager: Water Services for comment and input. The Cape Winelands District Municipality's AQO suggested that a meeting should be arranged between himself, BVM and possibly officials from the Provincial Government: Air Quality Division to workshop the contents of the draft by-law to ensure that only items are included that BVM will be able to execute.

Quarterly Air Quality Forums

The table below indicates the meeting/workshops that were attended by BVM officials.

Date	Place	BVM Official
15-16 August 2018	George, Southern Cape	Achmad Kafaar
8-9 November 2018	McGregor, Langeberg Municipality	Achmad Kafaar and Jevon Pekeur
6-7 February 2019	Bredasdorp, Cape Agulhas Municipality	Achmad Kafaar
16-17 May 2019	Laingsburg Municipality	Abegail Arries

Table 189: AQ Forum Meetings for the Period 1 July 2018 to 30 June 2019

Challenges

The major challenges can be spilt into the following three items:

- ☞ No budget for AQ exists – funds are diverted from other votes within the Water Services Department
- ☞ Capacity in terms of human resources – e.g. the AQO is also the Chief Laboratory Analyst, and at regular intervals delegates certain functions of AQ to the laboratory analyst
- ☞ Skills training – AQ is a new focus area within BVM and currently “on-the-job-training” experience is the only way to enhance our skill set within Air Quality. However, the provincial government in collaboration with National Association for Clean Air will present an introductory course for Air Quality Management, as well as the Environmental Management Inspector course.

Currently an air quality monitoring station within the Meirings Park residential area is maintained by SGS Environmental Services on behalf of the Provincial Government of the Western Cape.

BVM has drawn up an Incident Management Response Protocol to address any spills resulting from industrial or sewer spills.

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3.25 BIODIVERSITY, LANDSCAPE AND OPEN SPACES

The relevant department is responsible for a large number of functions, including the management and maintenance of trees, the removal of unwanted and alien trees, the planting of new indigenous trees, the irrigation of trees and open spaces, as well as entrances to the towns, weeding and cleaning of sidewalks and open spaces, beautification of certain focus areas, landscaping and the mowing of parks, open spaces and buffer zones.

During the year two new play parks for children were developed in Zwelethemba and a netball court in Avian Park was fenced.

During the 2018/19 financial year the following alien plants were cleared:

Area	Hectares	Alien Plants Cleared	Employment Created	Cost
Kwaggaskloof	1 335	Blackwattle, Hakea	2 710 person days	R732 892

Table 190: Alien clearing 2018/19

COMPONENT F: SECURITY AND SAFETY

3.26 TRAFFIC AND LICENSING

The main priorities of traffic are:

- ☞ The testing of applicants for driving licenses, learner's licenses and the application and renewal of professional driving licenses
- ☞ The registration and licensing of motor vehicles
- ☞ The promotion of road safety and law enforcement

3.26.1 Highlights: Traffic and licensing

The table below gives a brief description of all the highlights for traffic and licensing during the 2018/19 financial year:

Highlight	Description
Resources has improved	More Traffic Officers received Examiner of Driving Licence Training
Space in foyer	More comfortable chairs were provided for the public
Training received	2 x Basic Traffic Officer Training
	2x Examiner of Driving Licence Training
	3x Examiner of Vehicle Training
New Vehicles	3x New pick up vehicles were bought
Create new opportunity's	2x Law Enforcement Officers
	3x Traffic Officers
	3x General Assistants
	1x Cashier

Table 191: Traffic and licensing highlights

3.26.2 Challenges: Traffic and licensing

The table below gives a brief description of the traffic and licensing challenges during the 2018/19 financial year:

Challenge	Corrective action
Cashiers under staff	Liaise with other sections to assist during peak periods
Overtime budget	Manage overtime within the available budget

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Challenge	Corrective action
Misuse of vehicles	Application of the disciplinary code
Speed contract	Contract awarded to TMT and signed in May 2019
Paint marker needed	Tender will be advertised
Absentees and sick leave	Disciplinary actions have been taken – ongoing process
Telephone system outdated	Will be replaced

Table 192: Traffic and licensing challenges

3.26.3 Service statistics: Traffic services

The table below gives an indication of the statistics of traffic services for the financial year:

Details	2015/16	2016/17	2017/18	2018/19
	Actual no.	Actual no.	Actual no.	Actual no.
Number of road traffic accidents during the year	708	1 538	1 008	1 961
Number of infringements attended	81 963	86 929	95 276	16 705
Number of traffic officers in the field on an average day	6	15	18	4
Number of traffic officers on duty on an average day	15	21	19	12
Number of driver's licenses issued*	1 498*	1 467*	1 826*	7 537*
Number of learner's licenses issued	3 239	2 691	2 719	2 748
Number of motor vehicle license transactions	128 730	129 799	126 812	95 363
<i>*Includes renewals</i>				

Table 193: Service data for traffic services

3.26.4 Service delivery indicators: Traffic and licensing

The key performance indicators for traffic and licensing are:

Ref	KPI	Unit of Measurement	Wards	2017/18		Overall Performance for 2018/19		
				Target	Actual performance	Target	Actual	
TL2	Conduct screening at the shadow centre by 30 June 2019	Number of screenings conducted by 30 June 2019	All	900	1440	1 450	1 459	G2

Table 194: Service delivery indicators: Traffic and licensing

3.26.5 Employees: Traffic services

The table below indicates the number of employees for traffic services:

Occupational Level	2017/18	2018/19			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	0	0	0	0	0
Senior Management	1	1	1	0	0
Middle Management and Professionals	9	8	6	2	25

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Occupational Level	2017/18	2018/19			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Skilled Technical, Superintendents etc	30	35	32	3	9
Semi-skilled	36	44	36	8	18
Unskilled	11	15	14	1	7
Total	87	103	89	14	14

Table 195: Employees: Traffic services

3.26.6 Capital expenditure: Traffic services

The table below indicates the amount that was actually spent on traffic services projects for the 2018/19 financial year:

Capital projects	2018/19				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
Traffic: Replace roller door as VTS	200 000	84 076	84 075	1	84 075
Municipal Court Furniture and Equipment	113 000	0	0	0	113 000
Municipal Court Air conditioners	100 000	0	0	0	100 000
Upgrading of building - Municipal Court	1 650 000	35 961	35 960	1	35 960
Traffic: Road marking machines	40 000	0	0	0	40 000
Speed calming	500 000	129 886	129 886	1	129 886
Total all	2 603 000	249 923	249 921	2	

Table 196: Capital expenditure 2018/19: Traffic services

3.27 FIRE, RESCUE AND DISASTER MANAGEMENT SERVICES

Vision statement: *Making Life Safer*

Mission statement: *Protecting our community and the environment from fires and other emergencies*

Our Motto: *making a difference.... everyday*

Key strategies

- 🌀 Developing our staff and succession planning
- 🌀 Enhancing our community safety focus
- 🌀 Building partnerships
- 🌀 Building emergency response capacity
- 🌀 Building disaster management capacity
- 🌀 Planning for the future

3.27.1 Highlights: Fire services and disaster management

The table below gives a brief description of all the highlights for fire services and disaster management during the 2018/19 financial year:

Highlight	Description
Delivery of new Fire Engine	During June 2019 we accepted delivery of a new Fire Engine. The Fire Engine will augment our fire, rescue and disaster management capability in the Breede Valley

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Highlight	Description
	
<p>Fire Station De Doorns</p>	<ul style="list-style-type: none"> 🌀 The new De Doorns Fire Station has proven to be a great asset to the community of the Breede Valley and particularly De Doorns 🌀 We have reduced response times and improved service to the community of De Doorns and the surrounding areas <div style="text-align: center;">  </div>
<p>Fire Safety Activities</p> 	<ul style="list-style-type: none"> 🌀 495 Regulatory fire inspections conducted - 80% Compliant; 20% non-compliant 🌀 103 business fire clearances issued 🌀 66 Public events cleared 🌀 60 Dangerous goods classified activities registered; (16 Transport permits; 32 Flammable liquid registrations; 12 LPG registrations) 🌀 1104 Fire hydrants tested 🌀 360 Building plans scrutinised 🌀 197 Operational risk visits conducted
	<p>Five Community Safety Programmes registered with the Department of Public Works EPWP has delivered great success.</p> <p>A total of 15 beneficiaries were approved to participate in these projects.</p> <ul style="list-style-type: none"> 🌀 Programme 1: Emergency Communications Operators 🌀 Programme 2: Data Capturers 🌀 Programme 3: General workers 🌀 Programme 4: Fire & Life Safety 🌀 Programme 5: Fire breaks <p>The participants received training, assisted in various sections and gained invaluable skills in the process</p>
<p>EPWP Fire Break Team</p>	<p>Nekkies Resort was targeted to remove dry and flammable vegetation around perimeter and inside. This process minimised the fire risk in and around Nekkies</p>

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Highlight	Description
Flammable Liquid Sites Database	<p>All sites required to register their flammable liquid because of the quantities that they keep were put on a database to ensure re-registration of these sites annually. Annual reregistration of the sites are in progress and monitored</p>
Fire and Life Safety Education	<p>The following F&LS Programmes are ongoing</p> <ul style="list-style-type: none"> Learn not to Burn (early childhood development) Remembering When (old age homes and individual elderly residents) Prepare for emergencies (businesses) <div style="text-align: center;">  </div> <div style="display: flex; justify-content: space-around; margin-top: 20px;">   </div>
Fire station facelift	<p>The Worcester Fire Station has received a facelift</p> <div style="text-align: center;">  </div>

Table 197: Fire Services and Disaster Management highlights

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3.27.2 Challenges: Fire Services and disaster management

The table below gives a brief description of the Fire Services and Disaster Management challenges during the 2018/19 financial year:

Challenge	Corrective action
Filling of key posts. As priority De Doorns Fire Station require an increased number of fire-fighting crew	Junior Fire Fighter and Fire Fighter vacancies for De Doorns Fire Station has been advertised. Shortlisting to follow
No dedicated Disaster Management Officer thus reduced disaster management capacity	Funding required to fill posts
Age of the response fleet with reduced reliability	Older vehicles to be replaced
No 4x4 access vehicle for structural fire in rural and informal settlement fires	Funding required
Emergency call taking centre reporting system	Information Technology systems to be updated. The Call Centre will be transferred to Strategic Services from 1 July 2019

Table 198: Fire Services and Disaster Management challenges

3.27.3 Service statistics: Fire services and disaster management

Details	2017/18	2018/19
	Actual no.	Actual no.
Total fires attended in the year	740	684
Total of other incidents attended in the year	203	197
Fire-fighters in post at year end	37	37
Total fire appliances at year end	12	12

Table 199: Service data for Fire Services

3.27.4 Employees: Fire services and disaster management

The table below indicates the number of employees for fire services and disaster management:

Occupational Level	2017/18	2018/19			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	0	0	0	0	0
Senior Management	2	2	2	0	0
Middle Management and Professionals	4	7	6	1	14
Skilled Technical, Superintendents etc	13	17	14	3	18
Semi-skilled	36	43	35	8	19
Unskilled	1	1	1	0	0
Total	56	70	58	12	17

Table 200: Employees: Fire services and disaster management

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3.27.5 Capital expenditure: Fire services

The table below indicates the amount that was actually spent on fire service projects for the 2018/19 financial year:

Capital projects	2018/19				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
Fire Engine Superstructure	0	1 500 000	1 496 519	3 481	1 500 000
Total all	0	1 500 000	1 496 519	3 481	

Table 201: Capital expenditure 2018/19: Fire services

COMPONENT G: SPORT AND RECREATION

The Municipality has eight sportsgrounds, of which Boland Park and Esselen Park are the biggest. There are also three swimming pools, two in Worcester and one in Touwsrivier. Many sport clubs have been established in the Breede Valley area resulting in a high demand for facilities.

GAMES AND EVENTS

Events

Better Together Games, Boland Park

The Annual provincial games for government departments, local and provincial government was held at Boland Park Sportsground. This is the 7th consecutive year BVM is responsible for the hosting of the games which makes provision for several sporting codes. Top teams qualify for the Co-operative Games held in Cape Town. The sporting codes includes:

- 🌀 Touch rugby
- 🌀 Action cricket
- 🌀 Action netball
- 🌀 Chess
- 🌀 Domino's
- 🌀 Gholf
- 🌀 Pool
- 🌀 Klawerjas
- 🌀 Athletics
- 🌀 Action soccer
- 🌀 Volley ball
- 🌀 Table tennis
- 🌀 Darts

Boland East versus National Country District Cricket, Boland Park

The Interprovincial cricket match between Boland East and KEI Border, played at Boland Park as part of the SA Cricket amateur cricket tournament. BVM is responsible for the preparation of the pitches.

Yearly Feedem Inter-provincial Under 11/12 and 13 Cricket Tournament took place at Boland Park and Esselen Park

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The yearly Feedem Inter-Provincial Under 11/12 and 13 Cricket Tournament took place at Boland Park and Esselen Park Sportsground.

International Film Shoot, De La Bat Swimming Pool

It is the fourth year that Navigator Film Shoot utilise the De La Bat Swimming pool for film shoots due to the variety of diving boards, especially the 10m high dive board with a 5m water depth. Furthermore, the accessibility of the pool makes it ideal for film shoots. We also had The Shooting Gallery shooting an international advert at the De La Bat Swimming Pool.

Swim Galas. De La Bat Swimming Pool

Schools such as Worcester Primary, Montana High School and Worcester Gymnasium utilise the pool annually for swim galas. We were also privileged to host the Boland High School Swim Gala of 2018 and 2019.

Yearly Elderly Golden Games

The Yearly Elderly Golden Games normally take place at Boland Park Sportsground.

Yearly Sports at BVM Sportsgrounds and Swimming Pools – Athletics, Rugby, Netball, Baseball, Soccer, Swimming etc.

The yearly activities that are taking place at the BVM sportsgrounds and swimming pools (Boland Park, Esselen Park, Rawsonville, De Wet, Zwelethemba, De Doorns East, De Doorns West, Touwpark, Steenvliet Sportsgrounds, De La Bat, Grey Street and Touwsrivier) are as follows:

- 🌀 **Athletics** (community, schools, athletic clubs and other government departments)
- 🌀 **Cricket** (community, schools, local clubs, provincial bodies and other government departments)
- 🌀 **Rugby** (community, schools, local rugby clubs, Super Sport Rugby Challenge Event)
- 🌀 **Soccer** (community, schools, local soccer clubs, other government departments)
- 🌀 **Baseball** (local baseball clubs, community, schools)
- 🌀 **Swimming** (In season 1 October – 31 March)
- 🌀 **Netball** (community, schools, other government departments)
- 🌀 **Pool** (local pool clubs, community, schools)

BVM upgraded the following sport grounds and facilities with own funding during the 2018/19 financial year:

- 🌀 New Security Fence at Rawsonville Sportsground
- 🌀 New Spectator Fence at De Doorns West Sportsground
- 🌀 New Security Fence at Sunny Side Orchard
- 🌀 New Cricket Pitch at De Wet Sportsground
- 🌀 Upgrading of Flood Lights at Zwelethemba Sportsground

3.28 HOLIDAY RESORTS AND CAMPSITES

Nekkies Holiday Resort is an hour outside Cape Town near the town of Worcester. The meer chalets consist of seventeen self-catering log chalets built on stilts overlooking the lake (Brandvlei Dam) with two bedrooms and two bathrooms, fully equipped kitchen, balcony and fireplace. The campsite has twenty power points for caravans and tents and eighty sites without power. All sites are on grass.

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The resort caters for big events such as rock/motor cycle/trance at the grass campsite areas. Income generated from the resort can be summarised as follows:

Resort	2017/18	2018/19
Nekkies Meer Chalets	R1 660 180	R 1 484 456
Nekkies Resort	R1 419 959	R1 412 319

Table 202: Income generated from the resort

3.28.1 Employees: Holiday resorts and campsites

The table below indicates the number of employees for holiday resorts and campsites:

Occupational Level	2017/18	2018/19			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	0	0	0	0	0
Senior Management	0	0	0	0	0
Middle Management and Professionals	1	1	1	0	0
Skilled Technical, Superintendents etc	0	0	0	0	0
Semi-skilled	9	12	11	1	8
Unskilled	2	0	0	0	0
Total	12	13	12	1	8

Table 203: Employees: Holiday resorts and campsites

3.29 SWIMMING POOLS AND SPORT GROUNDS

BVM has a total of three public swimming pools. Two of these are situated in Worcester and the third in Touwsrivier. The pools are available for public use during season, which starts on 1 October and ends on the 31st of March the following year.

3.29.1 Service statistics: Swimming pools and sport grounds

Type of service	2017/18	2018/19
Swimming pools, stadiums and sport grounds		
Number of sport grounds/fields	8	8
Number of swimming pools	3	3
Number of stadiums	8	8
Number of complaints addressed – swimming pools	0	0

Table 204: Statistics: Swimming pools and sport grounds

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3.29.2 Employees: Swimming pools and community halls

The table below indicates the number of employees for swimming pools and community halls:

Occupational Level	2017/18	2018/19			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	0	0	0	0	0
Senior Management	1	1	1	0	0
Middle Management and Professionals	0	0	0	0	0
Skilled Technical, Superintendents etc	3	4	3	1	25
Semi-skilled	13	16	12	4	25
Unskilled	12	18	13	5	28
Total	29	39	29	10	26

Table 205: Employees: Swimming pools and community halls

3.29.3 Capital expenditure: Swimming pools and sport grounds

The table below indicates the amount that was actually spent on swimming pools and sports grounds projects for the 2018/19 financial year:

Capital projects	2018/19				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
De La Bat SB: Upgrade of filters and pump	600 000	0	0	0	600 000
De La Bat SB: Entrance gate and Ticket Booth	300 000	0	0	0	300 000
Grey Street SB: Upgrade of basket rooms	400 000	0	0	0	400 000
Zweletemba: New Swimming Bath	7 161 405	0	0	0	7 161 405
Rawsonville SG: New Security Fences	200 000	158 000	158 000	0	158 000
Zweletemba SG: Entrance gate and Ticket Booth	600 000	28 020	28 020	0	28 020
Zweletemba SG: Upgrade Flood lights	80 000	172 500	172 500	0	172 500
De Wet SG: Upgrade cricket pitch	180 000	156 000	156 000	0	156 000
New Fencing - Sunny Side Orchard	100 000	180 000	180 000	0	180 000
Esselen SG: Replacement of fence perimeter	1 600 000	115 250	115 250	0	115 250
De Doorns West SG: Fencing	180 000	65 600	65 600	0	65 600
Nekkies: Sit-on lawn mower	100 000	82 000	82 000	0	82 000
Nekkies: Equipment & small items for resorts	100 000	54 400	54 400	0	54 400
Total all	11 601 405	1 011 770	1 011 770	0	

Table 206: Capital expenditure 2018/19: Swimming pools and sport grounds

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COMPONENT H: CORPORATE POLICY, OFFICES AND OTHER SERVICES

3.30 EXECUTIVE AND COUNCIL

3.30.1 Employees: Executive and Council

The table below indicates the number of employees for executive and council:

Occupational Level	2017/18	2018/19			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	0	0	0	0	0
Senior Management	0	0	0	0	0
Middle Management and Professionals	1	0	1	0	0
Skilled Technical, Superintendents etc	0	0	0	0	0
Semi-skilled	9	0	9	0	0
Unskilled	0	0	0	0	0
Total	10	0	10	0	0

Table 207: Employees: Executive and Council

3.30.2 Employees: Office of the Municipal Manager

The table below indicates the number of employees for the office of the municipal manager:

Occupational Level	2017/18	2018/19			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	1	1	1	0	0
Senior Management	1	1	1	0	0
Middle Management and Professionals	1	1	1	0	0
Skilled Technical, Superintendents etc	0	0	0	0	0
Semi-skilled	1	1	1	0	0
Unskilled	0	0	0	0	0
Total	4	4	4	0	0

Table 208: Employees: Office of the Municipal Manager

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3.30.3 Capital expenditure: Executive and Council

The table below indicates the amount that was actually spent on executive and council projects for the 2018/19 financial year:

Capital projects	2018/19				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
Mayco: Furniture and Equipment	5 000	7 000	6 271	729	7 000
MM - Furniture and Equipment	5 000	5 000	4 200	800	5 000
Total all	10 000	12 000	10 471	1 529	

Table 209: Capital expenditure 2018/19: Executive and Council

3.31 FINANCIAL SERVICES

3.31.1 Service delivery indicators: Financial services

The key performance indicators for financial services are:

Ref	KPI	Unit of Measurement	Wards	2017/18		Overall Performance for 2018/19		
				Target	Actual performance	Target	Actual	
TL20	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2019 (Short Term Borrowing + Long Term Borrowing) / Total Operating Revenue - Operating Conditional Grant	% of debt coverage	All	45%	22.13%	45%	20.20%	B
TL21	Financial viability measured in terms of the outstanding service debtors as at 30 June 2019 ((Total outstanding service debtors/ revenue received for services) X100)	% of outstanding service debtors	All	16%	15.15%	15.90%	16.93%	R
TL22	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2019 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational	Number of months it takes to cover fix operating expenditure with available cash	All	2.4	1.57	2.4	1.35	R

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Ref	KPI	Unit of Measurement	Wards	2017/18		Overall Performance for 2018/19		
				Target	Actual performance	Target	Actual	
	Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))							
TL25	Submit the approved financial statements for 2017/18 to the Auditor-General by 31 August 2018	Approved financial statements for 2017/18 submitted to the AG	All	1	1	1	1	G
TL26	Achieve a payment percentage of above 95% as at 30 June 2019 (Gross Debtors Opening Balance + Billed Revenue -Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue) x 100	% Payment achieved	All	95%	100.31%	95%	98.78%	G2
TL32	The percentage of the municipal capital budget spent on projects as at 30 June 2019 (Actual amount spent on capital projects/Total amount budgeted for capital projects)X100	% of the municipal capital budget spent	All	95%	78.35%	95%	97.48%	G2
TL16	Provide free basic water to indigent households earning less than R4500 as at 30 June 2019	Number of indigent households receiving free basic water	All	7 860	8 053	8,100	8,596	G2
TL17	Provide free basic electricity to indigent households earning less than R4500 as at 30 June 2019	Number of indigent households receiving free basic electricity	All	7 860	8 053	8,100	8,596	G2
TL18	Provide free basic sanitation to indigent households earning less than R4500 as at 30 June 2019	Number of indigent households receiving free basic sanitation	All	7 860	8 053	8,100	8,596	G2
TL19	Provide free basic refuse removal to indigent households earning less than R4500 as at 30 June 2019	Number of indigent households receiving free basic refuse removal	All	7 860	8 053	8,100	8,596	G2
TL27	Review the MGRO Clean Audit Plan and submit to the	Letter signed off by the Municipal Manager that MGRO Clean Audit Plan was	All	1	1	1	1	G

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Ref	KPI	Unit of Measurement	Wards	2017/18		Overall Performance for 2018/19		
				Target	Actual performance	Target	Actual	
	Municipal Manager by 31 January 2019	reviewed and submitted						
TL28	Achieve a clean audit for the 2017/18 financial year by 31 December 2018	Audit report signed by the Auditor-General for 2017/2018	All	1	1	1	1	G

Table 210: Service delivery indicators: Financial services

Debt recovery						
Details of the types of account raised and recovered	2017/18			2018/19		
	Billed in year	Actual for accounts collected in the year	Proportion of accounts value billed that were collected %	Billed in year	Actual for accounts collected in the year	Proportion of accounts value billed that were collected %
	R		%	R		%
Property rates	125 006 332	122 198 124	98	135 728 091	138 654 800	102
Electricity	351 232 975	307 206 961	87	389 166 342	378 977 555	97
Water	56 725 239	65 216 048	115	70 216 537	68 032 888	97
Sanitation	65 381 487	60 717 789	93	67 133 021	61 543 559	92
Refuse	34 887 210	38 382 876	110	38 310 223	37 447 346	98

Collection rate per service not calculated using the same inputs as the global debt collection rate

Table 211: Service standards for Financial Services

3.31.2 Employees: Financial services

The table below indicates the number of employees for financial services:

Occupational Level	2017/18	2018/19			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	1	1	1	0	0
Senior Management	8	8	8	0	0
Middle Management and Professionals	14	18	15	3	17
Skilled Technical, Superintendents etc	5	5	5	0	0
Semi-skilled	83	99	89	10	10
Unskilled	10	9	8	1	11
Total	121	140	126	14	10

Table 212: Employees: Financial services

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3.31.3 Capital expenditure: Financial services

The table below indicates the amount that was spent on financial services projects for the 2018/19 financial year:

Capital projects	2018/19				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
FS Admin: Furniture and Equipment	5 000	5 000	4 687	313	5 000
Revenue: Debt Collection System	220 000	0	0	0	220 000
Revenue: Airconditioner	0	46 161	46 161	0	46 161
Revenue: CCTV camera system	0	40 740	40 740	0	40 740
Revenue: Computer Equipment	0	0	0	0	0
FS FP: Safeguarding of Assets	400 000	900 000	657 154	242 846	900 000
FS FP: Insurance claims	400 000	400 000	83 505	316 495	400 000
FS FP: Furniture and Equipment	0	159 170	158 468	702	159 170
FS FP: Upgrading of offices	0	259 656	259 655	1	259 656
FS SCM: Upgrade of new municipal offices	750 000	175 534	175 533	1	175 534
Total all	1 775 000	1 986 261	1 425 902	560 359	

Table 213: Capital expenditure 2018/19: Financial services

3.32 HUMAN RESOURCE SERVICES

The Human Resources Department deals with issues related to compensation, performance management, organisation development, training and development, safety, wellness and benefits.

All functionalities within Human Resources should be underpinned by ethical values which are supported by legislation, policies, rules and regulations. Ethical values are primarily focused on the human element as reflected by the behaviour of the stakeholders. Hence, it becomes essential that all stakeholders i.e. line management, employees and the Human Resources department operate in a collaborative and inclusive nature to ensure that the work environment is healthy and that a higher level of productivity is the resultant output of everyone's efforts and commitments.

The Human Resources department must ensure that the right people with the right skills and competencies are appointed in the correct positions. The matching of human capital with the right skills and competencies to the right job will contribute to ensuring that the short, medium and long-term objectives are achieved effectively, efficiently and economically.

The essential nature of Human Resources should therefore be clearly understood by all the stakeholders involved and it is crucial that there is a greater alignment to the strategic objectives within the integrated development plan of the municipality.

The Human Resources Department established ten key objectives to provide a quality and professional support service:

- 🌀 Annual review of the institutional structure (restructuring to ensure maximum efficiency, productivity and job satisfaction with resulting consequences being effective, efficient and economical service delivery);
- 🌀 TASK grading and job evaluation (job descriptions with profiles, competencies and performance standards);
- 🌀 Recruitment and selection (proper HR planning ensuring that the right people are appointed for the right jobs, competitiveness, scarcity allowances, succession planning and retention policy to retain staff);

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- ☞ The implementation of employment equity targets to address the under representation of the designated groups across the various occupational levels within the demographic profile of BVM;
- ☞ Training and development of staff capacity (enhancing the current skills of employees, focusing on the development of employees from designated groups to ensure representivity, succession planning and coaching);
- ☞ Compiling standard operating procedures as guidelines for performance standards and identification of skills gaps;
- ☞ Compile critical HR policies, related procedures and control mechanisms (e.g. overtime management, succession planning, study bursaries for employees);
- ☞ Improved discipline management (provide advice and support to line management on how to manage staff, motivation of staff, addressing incapacity due to illness or poor performance);
- ☞ Sound and healthy industrial relations (promote and support effective working relationships with unions, maintain and invest in staff morale, address incapacity cases); and
- ☞ Health and safety (maintain a safe and healthy work environment, critical safety hazards addressed, maintain low levels of injury on duty, safety audit completed).

The Human Resources Department assisted in creating and maintaining sound working relations between management and unions through regular meetings of the Local Labour Forum and Training Committee, which directly leads to a healthier relation with employees.

3.32.1 Service delivery indicators: Human resource services

The key performance indicators for HR are:

Ref	KPI	Unit of Measurement	Wards	2017/18		Overall Performance for 2018/19		
				Target	Actual performance	Target	Actual	
TL36	Number of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan during the 2018/19 financial year	Number of people employed in the three highest levels of management	All	1	2	1	3	B
TL37	The percentage of the municipality's personnel budget spent on implementing its workplace skills plan by 30 June 2019 [(Actual amount spent on training/total personnel budget) x100]	% of the budget spent	All	1%	0.58%	1%	0.98%	O
TL38	Limit vacancy rate to 15% of budgeted posts by 30 June 2019 [(Number of funded posts vacant divided by budgeted funded posts) x100]	% vacancy rate	All	15%	13.46%	15%	16.88%	R
TL39	Complete 100% of posts identified for evaluation in terms of	% of posts evaluated	All	100%	100%	100%	100%	G

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Ref	KPI	Unit of Measurement	Wards	2017/18		Overall Performance for 2018/19		
				Target	Actual performance	Target	Actual	
	TASK by 30 June 2019 {(Number of posts evaluated ito TASK/ Total number of posts identified to be evaluated ito TASK) x100)							

Table 214: Service delivery indicators: Human resources

3.32.2 Employees: Human resource services

The table below indicates the number of employees for human resource services:

Occupational Level	2017/18	2018/19			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	0	0	0	0	0
Senior Management	1	1	1	0	0
Middle Management and Professionals	7	7	7	0	0
Skilled Technical, Superintendents etc	0	1	0	1	100
Semi-skilled	4	8	4	4	50
Unskilled	0	0	0	0	0
Total	12	17	12	5	29

Table 215: Employees: Human resource services

3.32.3 Capital expenditure: Human resource services

The table below indicates the amount that was actually spent on human resource services projects for the 2018/19 financial year:

Capital projects	2018/19				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
ERP HR System	975 000	1 950 110	1 950 110	0	1 950 110
Total all	975 000	1 950 110	1 950 110	0	

Table 216: Capital expenditure 2018/19: Human resource services

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3.33 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

Our world has become totally dependent on information and communication technology (ICT) to the extent that a national power outage for even one day can be classified as a disaster, the effect of which cannot realistically and accurately be determined. Should such an outage go beyond one day into days or even weeks, the results can be catastrophic. BVM is similarly as dependant on ICT.

The ICT department has therefore endeavoured to provide, within our means, reliable systems, reliable and easily accessible data and support to the users.

During the 2018/19 financial year, we have implemented the following:

- 🌀 Disaster Recovery Plan and 5-year Strategic Plan completed and approved by Council
- 🌀 Disaster Recovery Site completed and commissioned
- 🌀 Communication link between Worcester, De Doorns and Touwsrivier upgraded and commissioned
- 🌀 ICT Service Desk Portal implemented to better service all user queries
- 🌀 Radio network upgrade in Worcester and Rawsonville completed and commissioned
- 🌀 Upgrade of our backbone network infrastructure from a 100mbps network to a 1Gbps network
- 🌀 Implementation of the VoIP system as a cost saving initiative and improvement of communication from analog to digital communication.

As part of the 5-year Strategic Plan, we intend to implement the following during 2019/20:

- 🌀 Wi-fii in all Breede Valley Municipal buildings
- 🌀 Video conferencing, Skype for better communication between BVM officials and our suppliers, which in turn will cut down on travelling time and costs
- 🌀 Implementation of paperless initiatives/systems to cut down on printing costs
- 🌀 Implementation of Citizens Engagement Application for Breede Valley community to log faults, complaints etc.
- 🌀 Current ICT systems/applications within the Municipality are not fully integrated and still pose a challenge. Systems do not communicate with each other forcing manual sharing of data and information between systems that is prone to human error and manipulation. This led to duplication and underutilisation of systems and applications. Moreover, due to extensive customisation of some of the systems, a huge reliance on the system vendors prevails across BVM. To further develop the use of ICT to offer innovative services, the Municipality want to effectively and efficiently deal with “back office” system issues. The Municipality is currently in a process of conducting a business case with a view of addressing this challenge by implementing an ERP system.

3.33.1 Service statistics: ICT

Details	2017/18	2018/19
	Actual	Actual
	%	
Disaster recovery plan (in draft)	100%	100%
Disaster recovery site project	100%	100%
Worcester/Touwsrivier communication link	100%	100%

Table 217: Service statistics: ICT

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3.33.2 Employees: ICT

The table below indicates the number of employees for ICT:

Occupational Level	2017/18	2018/19			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	0	0	0	0	0
Senior Management	1	1	1	0	0
Middle Management and Professionals	3	3	3	0	0
Skilled Technical, Superintendents etc	2	2	1	1	50
Semi-skilled	2	2	2	0	0
Unskilled	0	0	0	0	0
Total	8	8	7	1	13

Table 218: Employees: ICT

3.33.3 Capital expenditure: ICT

The table below indicates the amount that was actually spent on information and communication technology services projects for the 2018/19 financial year:

Capital projects	2018/19				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
Telephone System	150 000	0	0	0	150 000
Biometric system upgrade	96 000	0	0	0	96 000
Upgrade of radio network	3 000 000	0	0	0	3 000 000
Infrastructure Replacement (Servers and Storage)	4 800 000	987 265	987 264	1	987 264
Computer Equipment	2 166 800	1 045 406	1 045 406	0	1 045 406
Wi-Fi Access Points	150 000	750 000	0	750 000	750 000
Airconditioner	0	150 000	0	150 000	150 000
Total all	10 362 800	2 932 671	2 032 670	900 001	

Table 219: Capital expenditure 2018/19: ICT

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3.34 INTERNAL AUDIT AND ENTERPRISE RISK MANAGEMENT

The Municipality has an Internal Audit Unit and an Enterprise Risk Management Unit. Both resort under the Office of the Municipal Manager.

3.34.1 Service delivery indicators: Internal Audit and Enterprise Risk Management

The key performance indicators for internal audit and enterprise risk management are:

Ref	KPI	Unit of Measurement	Wards	2017/18		Overall Performance for 2018/19		
				Target	Actual performance	Target	Actual	
TL30	Compile a strategic risk report and submit to Council by 31 May 2019	Strategic risk register submitted to Council	All	1	1	1	1	G
TL29	Compile a Risk Based Audit Plan and submit to the Audit Committee by 30 June 2019	RBAP submitted to the Audit Committee	All	1	1	1	1	G

Table 220: Service delivery indicators: Internal Audit and Enterprise Risk Management

3.34.2 Employees: Internal Audit and Enterprise Risk Management

The table below indicates the number of employees for internal audit and enterprise risk management:

Occupational Level	2017/18	2018/19			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	0	0	0	0	0
Senior Management	2	2	2	0	0
Middle Management and Professionals	2	6	3	3	50
Skilled Technical, Superintendents etc	0	1	0	1	100
Semi-skilled	1	2	1	1	50
Unskilled	0	0	0	0	0
Total	5	11	6	5	45

Table 221: Employees: Internal Audit and Enterprise Risk Management

3.35 LEGAL SERVICES

Legal Services render an advisory and support function within the Municipality to the respective Directorates. This section is tasked to render proper and efficient legal advice to strengthen the capacity of BVM to fulfil its' legislative mandate.

The functions rendered by Legal Services amongst others are:

1. Municipal Property Administration
 - a. Drafting of items for Council/Delegated Authority
 - b. Administration of applications for:

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- i. Leases
- ii. Disposals
- iii. Encroachments
- iv. Servitudes

2. General Legal Matters

- a. Administer litigious matters
- b. Provision of legal opinions and advice
- c. Process PAIA applications
- d. Liquor licence applications administration
- e. Drafting and review of contracts, policies and by-laws
- f. Consideration of public liability claims
- g. Supply Chain Management opinions

3.35.1 *Employees: Legal Services*

The table below indicates the number of employees for legal services:

Occupational Level	2017/18	2018/19			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	0	0	0	0	0
Senior Management	1	2	1	1	50
Middle Management and Professionals	2	2	1	1	50
Skilled Technical, Superintendents etc	0	0	0	0	0
Semi-skilled	2	4	3	1	25
Unskilled	0	0	0	0	0
Total	5	8	5	3	38

Table 222: *Employees: Legal Services*

3.36 **EMPLOYEES: OTHER SERVICES**

3.36.1 *Employees: Technical Services: Administration*

The table below indicates the number of employees for Technical Services: Administration:

Occupational Level	2017/18	2018/19			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	1	1	1	0	0
Senior Management	1	3	1	2	67
Middle Management and Professionals	2	1	1	0	0
Skilled Technical, Superintendents etc	0	0	0	0	0

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Occupational Level	2017/18	2018/19			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Semi-skilled	3	3	3	0	0
Unskilled	0	0	0	0	0
Total	7	8	6	2	25

Table 223: Employees: Technical Services: Administration

3.36.2 Employees: Technical Services: Building maintenance services

The table below indicates the number of employees for Technical Services: Building maintenance services:

Occupational Level	2017/18	2018/19			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	0	0	0	0	0
Senior Management	0	0	0	0	0
Middle Management and Professionals	1	1	1	0	0
Skilled Technical, Superintendents etc	3	3	3	0	0
Semi-skilled	2	2	2	0	0
Unskilled	4	7	3	4	57
Total	10	13	9	4	31

Table 224: Employees: Technical Services: Building maintenance services

3.36.3 Employees: Mechanical workshop

The table below indicates the number of employees for the mechanical workshop:

Occupational Level	2017/18	2018/19			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	0	0	0	0	0
Senior Management	0	1	0	1	100
Middle Management and Professionals	1	1	1	0	0
Skilled Technical, Superintendents etc	1	2	1	1	50
Semi-skilled	3	4	3	1	25
Unskilled	1	0	0	0	0
Total	6	8	5	3	38

Table 225: Employees: Mechanical workshop

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3.36.4 Employees: Administration and property management

The table below indicates the number of employees for administration and property management:

Occupational Level	2017/18	2018/19			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	2	2	2	0	0
Senior Management	6	6	6	0	0
Middle Management and Professionals	0	2	2	0	0
Skilled Technical, Superintendents etc	9	7	6	1	14
Semi-skilled	22	24	23	1	4
Unskilled	9	9	9	0	0
Total	48	50	48	2	4

Table 226: Employees: Administration and property management

3.37 CAPITAL EXPENDITURE: OTHER SERVICES

3.37.1 Capital expenditure: Community Services: Other

Capital projects	2018/19				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
LED : Security & CCTV safety cameras	432 000	0	0	0	432 000
Town Hall: Airconditioner	1 000 000	0	0	0	1 000 000
Town Hall Roof	1 000 000	0	0	0	1 000 000
Town Hall: Furniture and Equipment	800 000	1 122 307	1 122 306	1	1 122 306
Acquisition of building (Balke)	0	20 175 439	20 175 439	0	20 175 439
CS - Furniture & Equipment	5 000	5 000	4 840	160	5 000
Total all	3 237 000	21 302 746	21 302 585	161	

Table 227: Capital expenditure 2018/19: Community services: Other

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3.37.2 Capital expenditure: Strategic Support: Other

Capital projects	2018/19				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
SSS Adm: Furniture and Equipment	5 000	5 000	4 559	441	4 559
SSS Comm: Machinery and Equipment	0	64 183	64 183	0	64 183
SSS Com: Furniture and equipment	0	2 055	2 054	1	2 054
Total all	5 000	71 238	70 796	442	

Table 228: Capital expenditure 2018/19: Strategic support: Other

3.37.3 Capital expenditure: Fleet management

Capital projects	2018/19				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
Elec: Cherry Picker vehicles x 10	5 450 000	4 859 910	4 859 910	0	4 859 910
Elec :1x 4x4 Truck with hydraulic crane - pole manipulator and aerial platform	3 500 000	2 751 250	2 751 250	0	2 751 250
Elec: 1x 4x6 Truck with hydraulic crane - pole manipulator and aerial platform	3 150 000	2 922 804	2 922 803	1	2 922 803
Refuse Compactor Trucks (19m³)	2 500 000	2 127 969	2 127 969	0	2 127 969
Water: 4 Ton Truck with crew cab	600 000	604 826	604 826	0	604 826
Parks: 4 Ton Truck with crew cab	600 000	604 826	604 826	0	604 826
Refuse: 4 Ton Truck with crew cab (x3 Refuse rem)	1 800 000	1 852 678	1 852 678	0	1 852 678
Water: 4 Ton Truck with crew cab	600 000	604 826	604 826	0	604 826
Sewer: 4 Ton Truck with crew cab (x 2 Worc WWTW)	1 200 000	1 209 652	1 209 652	0	1 209 652
Water: LDV 1 Ton 4x4	450 000	157 028	157 028	0	157 028
Water: LDV 1 Ton 4x2	300 000	185 722	185 721	1	185 721
Nekkies: LDV 1 Ton 4x2	300 000	185 722	185 721	1	185 721
Tractors (x2) replacement Parks	0	800 000	0	800 000	800 000
LDV 1 Ton 4x2 (Replacement of BVM 263)	0	154 040	154 039	1	154 039
Digger Loader 4x4 (Cemeteries)	950 000	1 072 007	1 072 006	1	1 072 006
Tipper landfill site (5 cum)	700 000	1 158 952	1 158 952	0	1 158 952
Truck met skips lift (5 cum)	700 000	992 169	992 169	0	992 169
Sewer: Digger Loader - De Doorns	950 000	1 072 007	1 072 006	1	1 072 006
Sewer: Municipal Vehicles (LDV)	950 000	557 164	557 163	1	557 163
Sewer: 5 Ton truck	700 000	797 190	797 190	0	797 190
Sewer: Jet Vac truck	2 500 000	0	0	0	2 500 000

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Capital projects	2018/19				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
Sewer: Jet Vac truck	2 500 000	2 959 792	2 959 792	0	2 959 792
Water & Sewer: Plate Compactor - Heavy Duty	0	19 131	19 130	1	19 131
Worcester WWTW: Vacuum tanker	1 300 000	980 900	980 900	0	980 900
De Koppen: Municipal Vehicles 4 x 4 bakkie	450 000	288 837	288 836	1	288 836
Patrol Vehicles	600 000	548 010	548 009	1	548 009
Fire Engine Chassis	1 800 000	0	0	0	1 800 000
Fire: Vehicles (Donated Assets)	0	500 000	0	500 000	500 000
Revenue: Motor vehicles	0	158 640	158 639	1	158 639
HR: Motor Vehicle	0	190 900	190 900	0	190 900
Total all	34 550 000	30 316 952	29 016 942	1 300 010	

Table 229: Capital expenditure 2018/19: Fleet management

3.37.4 Capital expenditure: Technical Services: Admin

Capital projects	2018/19				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Estimate project value for the financial year
(R)					
Technical Serv Admin: Furniture & Equipment		15 600	15 600	0	15 600
Upgrading of Offices and Stores - Fairbain str.	400 000	123 390	123 390	0	123 390
Total all	400 000	138 990	138 990	0	

Table 230: Capital expenditure 2018/19: Technical services: Admin

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COMPONENT I: ORGANISATIONAL PERFORMANCE SCORECARD

3.38 DEVELOPMENT AND SERVICE DELIVERY PRIORITIES FOR 2019/20

The main development and service delivery priorities for 2019/20 forms part of the Municipality's Top Layer SDBIP for 2019/20 and are indicated in the tables below:

3.38.1 *Assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practices*

Ref	Key Performance Indicator	Unit of Measurement	Ward	Annual Target
TL1	Compile a Risk Based Audit Plan and submit to the Audit Committee by 30 June 2020	RBAP submitted to the Audit Committee	All	1
TL2	Compile a strategic risk report and submit to Council by 31 May 2020	Strategic risk register submitted to Council	All	1
TL4	The percentage of the municipal capital budget spent on projects as at 30 June 2020 (Actual amount spent on capital projects/Total amount budgeted for capital projects)X100	% of the municipal capital budget spent	All	95.00%
TL37	Provide free basic water to indigent households earning less than R4500 as at 30 June 2020	Number of indigent households receiving free basic water	All	8 100
TL38	Provide free basic electricity to indigent households earning less than R4500 as at 30 June 2020	Number of indigent households receiving free basic electricity	All	8 100
TL39	Provide free basic sanitation to indigent households earning less than R4500 as at 30 June 2020	Number of indigent households receiving free basic sanitation	All	8 100
TL40	Provide free basic refuse removal to indigent households earning less than R4500 as at 30 June 2020	Number of indigent households receiving free basic refuse removal	All	8 100
TL41	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June 2020 (Short Term Borrowing + Long Term Borrowing) / Total Operating Revenue - Operating Conditional Grant	% of debt coverage	All	45.00%
TL42	Financial viability measured in terms of the outstanding service debtors as at 30 June 2020 ((Total outstanding service debtors/ revenue received for services)X100)	% of outstanding service debtors	All	15.90%
TL43	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2020 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excl	Number of months it takes to cover fix operating expenditure with available cash	All	2.4
TL46	Submit the approved financial statements for 2018/19 to the Auditor-General by 31 August 2019	Approved financial statements for 2018/19 submitted to the AG	All	1

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Ref	Key Performance Indicator	Unit of Measurement	Ward	Annual Target
TL47	Achieve a payment percentage of above 95% as at 30 June 2020 (Gross Debtors Opening Balance + Billed Revenue -Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue) x 100	% Payment achieved	All	95.00%
TL48	Review the MGRO Clean Audit Plan and submit to the Municipal Manager by 31 January 2020	Letter signed off by the Municipal Manager that MGRO Clean Audit Plan was reviewed and submitted	All	1
TL49	Achieve a clean audit for the 2018/19 financial year by 31 December 2019	Audit report signed by the Auditor-General for 2018/2019	All	1

Table 231: Service delivery priorities for 2019/20: Assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practices

3.38.2 Ensure a healthy and productive workforce and an effective and efficient work environment

Ref	Key Performance Indicator	Unit of Measurement	Ward	Annual Target
TL19	Compile an item for the appointment of a municipal tribunal and submit to Council for approval by 31 August 2019	Proof of item compiled and submitted to Council for approval by 31 August 2019	All	1
TL21	Number of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan during the 2019/20 financial year	Number of people employed in the three highest levels of management	All	1
TL22	The percentage of the municipality's personnel budget spent on implementing its workplace skills plan by 30 June 2020 [(Actual amount spent on training/total personnel budget)x100]	% of the budget spent	All	1.00%
TL23	Limit vacancy rate to 15% of budgeted posts by 30 June 2020 [(Number of funded posts vacant divided by budgeted funded posts)x100]	% vacancy rate	All	15.00%
TL24	Complete 100% of posts identified for evaluation in terms of TASK by 30 June 2020 {(Number of posts evaluated ito TASK/ Total number of posts identified to be evaluated ito TASK)x100}	% of posts evaluated	All	100.00%

Table 232: Service delivery priorities for 2019/20: Ensure a healthy and productive workforce and an effective and efficient work environment

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3.38.3 To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism

Ref	Key Performance Indicator	Unit of Measurement	Ward	Annual Target
TL20	The number of FTE's created through the EPWP programme by 30 June 2020 (Person days / FTE (230 days))	Number of FTE's created through the EPWP programme by 30 June 2020	All	312
TL25	Sign service level agreements (SLA's) with 3 Local Tourism Associations (LTA's) by 30 September 2019	Number of SLA's signed by 30 September 2019	All	3

Table 233: Service delivery priorities for 2019/20: To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism

3.38.4 To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people

Ref	Key Performance Indicator	Unit of Measurement	Ward	Annual Target
TL26	Conduct breath alcohol screenings at roadblocks by 30 June 2020	Number of breath alcohol screenings conducted by 30 June 2020	All	1 500
TL32	Construct a ring fence at Esselenpark sportsground by 30 June 2020	Construction of fence completed	All	1

Table 234: Service delivery priorities for 2019/20: To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people

3.38.5 To provide and maintain basic services and ensure social upliftment of the Breede Valley community

Ref	Key Performance Indicator	Unit of Measurement	Ward	Annual Target
TL3	Spend 90% of the budget allocated for the Regional Socio Economic Programme by 30 June 2020 $\{(Actual\ expenditure\ divided\ by\ the\ total\ approved\ capital\ budget) \times 100\}$	% of budget spent	All	90.00%
TL5	Complete construction of pedestrian bridge across Donkies River in Touwsrivier by 30 June 2020	Project completed	All	1
TL6	Complete construction of shared economic infrastructure facility in Zwelenthemba by 30 June 2020	Project completed	All	1
TL7	Achieve 95% average water quality level as measured per SANS 241 criteria during the 2019/20 financial year	% water quality level per quarter	All	95.00%
TL8	Review the 3rd Generation Integrated Waste Management Plan and submit to Council for approval by 30 June 2020	Plan reviewed and submitted to Council for approval by 30 June 2020	All	1
TL9	Extend recycling at point of waste generation to 15 wards by 30 June 2020	Number of wards recycling extended to	All	15
TL10	Spend 90% of capital budget allocated for the construction of the material recovery facility (MRF) in Worcester by 30 June 2020	% of capital budget spent	All	90.00%
TL11	Review 5 year Water Service Development Plan (WSDP) and submit to Council for approval by 31 March 2020	Reviewed WSDP submitted to Council by 31 March 2020	All	1

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Ref	Key Performance Indicator	Unit of Measurement	Ward	Annual Target
TL12	Complete the project for the replacement of water pipes by 30 June 2020	Project completed	All	1
TL13	80% of sewerage samples comply with effluent standard during the 2019/20 financial year {(Number of sewerage samples that comply with SANS/Number of sewerage samples tested)x100}	% of sewerage samples compliant	All	80.00%
TL14	Spend 90% of the electricity capital budget by 30 June 2020 {(total actual capital project expenditure/total capital project budget) x 100}	% of the electricity capital project budget spent	All	90.00%
TL15	Spend 90% of the electricity maintenance budget by 30 June 2020 {(total actual maintenance expenditure/total maintenance budget) x 100}	% of the electricity maintenance budget spent	All	90.00%
TL16	Achieve 90% of capital budget spent on the resurfacing of roads by 30 June 2020	% of capital budget spent	All	90.00%
TL17	Achieve 90% of capital budget spent on the municipal fleet by 30 June 2020	% of capital budget spent	All	90.00%
TL18	Spend 90% of capital budget allocated for the construction of the Zwelenthemba municipal swimming pool by 30 June 2020	% of capital budget spent	All	90.00%
TL27	Complete feasibility studies regarding the new housing projects at De Doorns (GG-Camp), Touwsriver and Avian Park by 30 June 2020	Number of feasibility studies completed for De Doorns, Touwsriver and Avian Park	All	3
TL28	Complete 90% beneficiary allocation for the Worcester New Mandela Square project by 30 June 2020 (Beneficiary allocation linked to approved business plan - 25 units prioritised in 2019/20)	% of units allocated	All	90.00%
TL29	Complete 90% beneficiary selection for the Transhex Human Settlement project by 30 June 2020 (Beneficiary selection linked to approved business plan - 1097 serviced sites prioritised in 2019/20)	% of beneficiary selected in relation to the number of housing opportunities available	All	90.00%
TL30	Complete serviced sites for the Transhex Human Settlements Project phase 1.2 by 30 June 2020	Number of serviced sites completed in phase 1.2 by 30 June 2020	All	413
TL31	Complete 90% beneficiary allocation for the Transhex Human Settlement project by 30 June 2020 (Beneficiary allocation linked to approved business plan - 700 units prioritised in 19/20)	% of units allocated	All	90.00%
TL33	Number of formal residential properties that are billed for water as at 30 June 2020	Number of residential properties that are billed for residential consumption water meters charged residential domestic tariffs or residential flat rate tariffs using an erf as a household except municipal rental flats which will be measured by using the number of rental units.	All	20 820
TL34	Number of residential properties which are billed for electricity or have pre-paid meters (excluding Eskom Electricity supplied properties) as at 30 June 2020	Number of residential properties that are billed for electricity or have pre-paid meters, charged on the residential tariffs for consumption and residential prepaid tariffs	All	22 820

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Ref	Key Performance Indicator	Unit of Measurement	Ward	Annual Target
TL35	Number of formal residential properties that are billed for sanitation/sewerage services as at 30 June 2020	Number of residential properties that are billed for residential sewerage tariffs using the erf as property	All	18 370
TL36	Number of formal residential properties that are billed for refuse removal as at 30 June 2020	Number of residential properties that are billed for refuse removal residential tariffs using the erf as a property	All	18 570
TL44	Limit unaccounted electricity losses to less than 10% by 30 June 2020 {(Number of Electricity Units Purchased -Number of Electricity Units Sold) / (Number of Electricity Units Purchased) x100}	% unaccounted for electricity	All	10.00%
TL45	Limit unaccounted water losses to less than 21% by 30 June 2020 {(Number of kiloliters water available from reservoirs - number of kiloliters water sold) / (number of kiloliters water purchased or purified) x 100}	% unaccounted for water	All	21.00%

Table 235: Service delivery priorities for 2019/20: To provide and maintain basic services and ensure social upliftment of the Breede Valley community



Chapter 4

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

The following table indicates the Municipality's performance in terms of the national key performance indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the MSA. These key performance indicators are linked to the national key performance area – municipal transformation and organisational development.

KPA and Indicators	Municipal achievement	Municipal achievement
	2017/18	2018/19
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	2	3
The percentage of a municipality's training budget actually spent on implementing its workplace skills plan	0.58%	0.98%

Table 236: National KPIs: Municipal Transformation and Organisational Development

b) Highlights: Municipal Transformation and Organisational Development

Highlight	Description
Annual review of staff establishment	BVM reviews its approved staff establishment on an annual basis. The process is inclusive of all consultative structures within BVM. The annual review was finalised in May 2019 and approved by Council on 23 May 2019
Enhanced training and development initiatives	The Municipality is committed to ensure that a higher percentage of staff benefits from training and development initiatives. During 2018, more staff were allowed to participate and enrolled for educational qualifications through the internal bursary scheme

Table 237: Highlights: Municipal Transformation and Organisational Development

c) Challenges: Municipal Transformation and Organisational Development

Challenge	Actions to address
TASK job description writing process	BVM is in the process of updating and finalising a new job description for every position on the approved staff establishment. The finalisation has progressed slowly due to the lack of commitment by all the relevant role players. The consultation sessions agreed upon are time consuming and have a major impact on the finalisation of the job descriptions
Increased vacancy rate	The vacancy rate of 16.88% is slightly above the norm of 15%. A dedicated recruitment and selection drive were initiated in June 2019 as a means of ensuring that vacancies are filled as soon as possible

Table 238: Challenges: Municipal Transformation and Organisational Development

4.1 INTRODUCTION TO THE MUNICIPAL WORKFORCE

The Municipality as at 30 June 2019 employs 896 staff members, including permanent officials as well as employees appointed on long term fixed contracts, who individually and collectively contribute to the achievement of the municipality's objectives. The primary objective of human resource management is to render an innovative HR service that addresses both skills development and an administrative function.

4.1.1 Employment equity

The Employment Equity Act (1998) Chapter 3, Section 15(1) states that affirmative action measures are designed to ensure that suitably qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. The national performance indicator also refers to 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".

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a) *Employment Equity Targets/Actual*

The Employment Equity Plan for the 2015-2018 period was submitted to the Local Labour Forum for consultation. Furthermore, the EEA2 and EEA4 reports were submitted to the Department of Labour on 15 January 2019.

b) *Employment Equity vs. Population*

Description	Black African	Coloured	Indian or Asian	White	Total
Population numbers	39 555	113 425	474	23 125	176 579
% population	22.4	64.2	0.3	13.1	100

Source: Stats SA – 2016 Community Survey

Table 239: EE population 2018/19

c) *Occupational Levels - Race*

The table below categorise the number of employees by race within the occupational levels:

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management	0	4	0	1	0	0	0	0	5
Senior management	5	13	0	8	1	3	1	5	36
Professionally qualified and experienced specialists and mid- management	10	28	0	15	9	16	0	5	83
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	12	55	0	13	6	17	0	3	106
Semi-skilled and discretionary decision making	65	156	0	7	52	107	0	18	405
Unskilled and defined decision making	69	108	0	1	28	55	0	1	261
Grand total	161	364	0	45	96	197	1	32	896

Table 240: Occupational levels

4.1.2 *Vacancy rate*

The approved organogram (2019) for the Municipality has 1 078 budgeted posts for the 2018/19 financial year. The actual positions filled 896 are indicated in the tables below by occupational level and by functional level. The number of funded vacant positions at the end of 2018/19 was 182 (16.88%)

The current vacancy rate is slightly above 15%, due to the impact of staff turnover linked to appointments and terminations throughout the financial year. Critical vacancies were prioritised and filled during 2018/19.

Post level	Per occupational level	
	Filled	Vacant
Top management	5	0
Senior management	36	5
Professionally qualified and experienced specialists and mid- management	83	18
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	106	28
Semi-skilled and discretionary decision making	405	72
Unskilled and defined decision making	261	59

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Per occupational level		
Post level	Filled	Vacant
Total	896	182
Per functional level		
Functional area	Filled	Vacant
Municipal Manager	10	5
Strategic Support Services	69	12
Financial Services	126	14
Community Services	270	43
Technical Services	421	108
Total	896	182

Table 241: Vacancy rate per post (salary) and functional level (June 2019)

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

Salary level	Number of current critical vacancies	Number total posts as per organogram	Vacancies (as a proportion of total posts per category)
Municipal Manager	0	1	0
Chief Financial Officer	0	1	0
Other Section 57	0	3	0
Senior Management	5	41	12.20
Total	5	46	10.87

Table 242: Vacancy rate per senior salary level

4.1.3 Staff turnover rate

A high staff turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organisational knowledge. Below is a table that reflect the staff turnover rate within the Municipality. The staff turnover rate indicates an increase from 4.48% in 2017/18 to 8.26% in 2018/19.

The table below indicates the staff turnover rate over the last three years:

Financial year	Total number of employees	New appointments	Terminations (excl. internal movements) during the year	Staff turnover rate
2016/17	836	57	62	7.42%
2017/18	893	94	40	4.48%
2018/19	896	51	74	8.26%

Table 243: Staff turnover rate as at 30 June 2019

The table below shows a breakdown of the different categories of terminations:

Month	Appointments	Internal movements	Total	Retirements	Dismissals	Resignations	Death	Internal movements	Total
July 2018	4	1	5	2	1	3	0	1	7
August 2018	8	3	11	2	0	2	0	3	7
September 2018	6	0	6	1	0	3	0	0	4
October 2018	11	4	15	0	1	2	0	4	7

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Month	Appoint-ments	Internal movements	Total	Retirements	Dismissals	Resigna-tions	Death	Internal movements	Total
November 2018	6	0	6	2	0	2	0	0	4
December 2018	1	0	1	3	0	4	0	0	7
January 2019	3	4	7	0	0	5	0	3	8
February 2019	1	1	2	3	0	6	1	1	11
March 2019	4	2	6	0	1	3	0	2	6
April 2019	6	0	6	1	0	2	0	0	3
May 2019	1	0	1	0	0	5	0	0	5
June 2019	1	0	1	1	0	4	0	0	5
Total	51	15	66	15	3	41	1	14	74

Table 244: Termination categories

4.2 MANAGING THE MUNICIPAL WORKFORCE

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

4.2.1 Injuries

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

Injuries show a decrease of 55 injuries for the 2018/19 financial year compared to 59 injuries for the 2017/18 financial year.

Incidents are investigated to determine whether there was any negligence involved to ensure that it is an actual injury on duty.

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

Directorates	2017/18	2018/19
Municipal Manager	0	0
Strategic Support Services	1	1
Financial Services	0	0
Community Services	11	10
Technical Services	47	44
Total	59	55

Table 245: Injuries

Injuries in Technical Services decreased due to the implementation of safer work procedures which had a positive impact on the total injuries for 2018/19.

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4.2.2 Sick leave

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

The table below indicates that the total number of sick leave days taken decreased during the 2018/19 financial year when compared with the 2017/18 financial year:

Department	2017/18	2018/19
Municipal Manager	59.5	18.0
Strategic Support Services	504.5	389.0
Financial Services	825.0	375.0
Community Services	1 776.0	2 060.0
Technical Services	3 618.0	3 024.5
Total	6 783.0	5 866.5

Table 246: Sick leave

Any evidence which would give an indication of the possible abuse of sick leave should be regarded as very serious by line management. It is imperative for line management to investigate and seek advice from Human Resources with regards to the manner in which it should be dealt with.

The typical indicators of possible abuse of sick leave are as follows, even though each case should be treated on its own merits:

- ☞ Sick leave on almost every pay-day or the Monday after pay-day
- ☞ Sick leave before or after annual leave
- ☞ Sick leave during school holidays
- ☞ Regular single day sick leave, especially on a Friday or Monday
- ☞ Regular sick leave (day or two days) during each month and/or sick leave before or after a public holiday

The sick leave pattern of employees has an impact on service delivery backlogs and the costs associated with sick leave delay production at work. During periods of sick leave, it creates additional stress on other employees who have to perform at a higher level of productivity in order to ensure minimal losses on service delivery. The additional resulting impact of excessive sick leave patterns are that staff will have to work overtime and/or will be required to act on behalf of the absent employee. This could result in excessive financial expenditure.

It is critical that proper consultation with the staff member concerned is held to ensure that conclusions are not drawn without ensuring that all the facts are considered. It is important that staff are made aware of the standard of conduct required of them with regards to attending work regularly and discussing your concerns regarding the sick leave pattern with the employee.

The leave section within the Human Resources Department ensures that line management receives a monthly printout of the employees who, in terms of their records are possible sick leave abusers, for further investigation.

Counselling sessions are conducted with employees, recorded and the necessary documentation placed on the personnel files.

4.2.3 HR 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:

Approved policies	
Name of policy	Date approved/revised
Acting Policy	July 2018

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

Approved policies	
Name of policy	Date approved/revised
Attendance and Punctuality Policy	July 2018
Employee under the influence of intoxicating substances Policy	June 2015
Employment Equity Policy	June 2015
HIV and AIDS Policy	June 2015
Incapacity due to ill health/injury Policy	June 2015
Incapacity due to poor work performance Policy	June 2015
Legal Aid Policy	June 2015
Occupational Health and Safety policy	July 2018
Overtime Policy	July 2018
Personal Protective Equipment Policy	July 2018
Private Work and Declaration of Interests Policy	July 2018
Recruitment and selection policy	July 2018
Relocation Policy	July 2018
Sexual Harassment Policy	July 2018
Smoking Policy	June 2015
Standby allowance Policy	June 2015
Study Aid for employees and study leave Policy	June 2015
Succession Planning Policy	June 2015
Telecommunications Policy	June 2015
Training and Development Policy	July 2018
Transport Policy	June 2015

Table 247: Approved HR policies

Policies Developed	
Name of policy	2018/19 Financial Year
Revised Transport Allowance Policy	Review finalised and submitted to Council on 12 June 2019
Annual Closing of Municipal Offices Policy	Currently still under review
Employee Assistance Programme	
Employment Imprisonment Policy	
Individual Performance Management Policy	
Nepotism Policy	
Official Vehicles and Fleet Management Policy	
Rewards and Incentives Policy	

Table 248: HR policies developed

The current approved Transport Allowance Policy were reviewed and workshopped with the Local labour Forum committee members and councillors. The revised policy was submitted to Council for approval on 12 June 2019. The finalisation and approval of the remaining policies remains a priority.

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4.3 CAPACITATING THE MUNICIPAL WORKFORCE

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

4.3.1 Skills matrix

The table below indicates the number of employees that received training in the year under review:

Management level	Gender	Number of employees identified for training at start of the year	Number of employees that received training
MM and S57	Female	3	3
	Male	16	8
Professionals	Female	25	15
	Male	8	5
Technicians and Trade workers	Female	10	5
	Male	25	19
Clerks	Female	88	64
	Male	54	46
Service and sales workers	Female	35	24
	Male	32	25
Plant and machine operators and assemblers	Female	7	5
	Male	30	14
Elementary occupations	Female	72	61
	Male	100	85
Sub total	Female	240	177
	Male	265	202
Total		505	379

Table 249: Skills matrix

The supply chain process is a lengthy process and it is difficult to get accredited training providers in the different training needs that were prioritised in the Skills Development Plan for the 2018/19 financial year.

The following training was implemented:

Type of training	Details
Minimum Municipal Competency Regulation	In terms of legislation
Plumbers training	Preparation of plumbers for their trade test
OHRVS Electrical	In terms of legislative regulations
Digger loader	In terms of legislative regulations
Cable locator - Electrical	Assist staff to obtain the necessary knowledge
K53	Traffic officers to obtain qualification
Code EC driver's license	Assist staff to obtain the necessary licensing
Examiner of vehicles	Give staff the necessary competency to do their jobs

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Type of training	Details
Traffic Officer training	Assist staff to obtain the necessary qualification
Access control	Training staff to understand the reason for access control
Hazardous materials technician	Assist staff to obtain the necessary licensing to transport hazardous materials
Records management	Staff to understand the necessary legislation regarding records management
OHS representative	Assist staff to obtain the necessary knowledge to do their work
Masonry learnership	Assist staff to obtain qualification as tradesman
Internal Audit learnership	Assisting internal audit staff to obtain an occupational qualification
Metering and advance Metering	Electrical staff to obtain the necessary knowledge
Truck mounted crane and cherry picker	Licensing staff to do their work

Table 250: Details of training implemented

4.3.2 Skills development: Training provided

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 the administration the Municipal Manager is responsible for the management, utilisation and training of staff.

Occupational categories	Gender	Number of employees as at the beginning of the financial year	Training provided within the reporting period						
			Learnerships		Skills programmes and other short courses		Total		
			Actual	Target	Actual	Target	Actual	Target	% Variance
MM and Senior Managers	Female	11	0	0	3	3	3	3	0
	Male	24	3	5	5	11	8	16	50
Professionals	Female	26	0	0	15	25	15	25	40
	Male	58	0	0	5	8	5	8	38
Technicians and Trade workers	Female	11	0	0	5	10	5	10	50
	Male	54	0	0	19	25	19	25	24
Clerks	Female	128	0	8	64	80	64	88	27
	Male	59	0	4	46	50	46	54	15
Service and sales workers	Female	62	0	10	24	25	24	35	31
	Male	87	0	2	25	30	25	32	22
Plant and machine operators and assemblers	Female	7	2	2	3	5	5	7	28
	Male	66	3	5	11	25	14	30	53
Elementary occupations	Female	85	4	7	57	65	61	72	15
	Male	215	5	10	80	90	85	100	15
Sub total	Female	330	6	27	171	213	177	240	26
	Male	563	11	26	191	239	202	265	24
Total		893	17	53	362	452	379	505	25

Table 251: Skills development

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4.3.3 Skills development: Budget allocation

The table below indicates that a total amount of **R3 058 800** was allocated to the workplace skills plan and that 89.41% of the total amount was spent in the 2018/19 financial year:

Total personnel budget R	Total allocated R	Total spent R	% Spent
279 119 075	3 058 800	2 734 769	89.41

Table 252: Budget allocated and spent for skills development

4.4 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 Schedules SA22 and SA23.

4.4.1 Personnel expenditure

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past three financial years and that the Municipality is well beneath the national norm of between 35 to 40%:

Financial year	Total expenditure salary and allowances	Total operating expenditure	Percentage
	R'000		%
2017/18	269 566	954 082	28.3
2018/19	296 297	946 727	31.3

Table 253: Personnel expenditure

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

Financial year	2017/18		2018/19	
	Actual	Original budget	Adjusted budget	Actual
Description	R'000			
Councillors (Political office bearers plus other)				
Salary	12 721	13 880	13 880	13 357
Pension contributions	1 476	1 541	1 541	1 516
Medical aid contributions	182	181	181	261
Motor vehicle allowance	699	707	707	736
Cell phone allowance	1 667	1 673	1 673	1 658
Housing allowance	0	0	0	0
Other benefits or allowances	147	148	148	146
In-kind benefits	0	0	0	0
Subtotal - Councillors	16 891	18 129	18 129	17 675
% increase/(decrease)	8.2	7.3	7.3	4.6

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Financial year	2017/18	2018/19		
Description	Actual	Original budget	Adjusted budget	Actual
R'000				
Senior Managers				
Salary	5 539	5 846	5 848	6 463
Pension contributions	557	572	572	500
Medical aid contributions	134	138	138	104
Motor vehicle allowance	740	766	768	840
Cell phone allowance	204	204	204	215
Housing allowance	0	0	0	0
Performance bonus	0	0	0	0
Other benefits or allowances	64	66	66	106
In-kind benefits	0	0	0	0
Subtotal - Senior managers	7 237	7 591	7 596	8 228
% increase/(decrease)	39.6	4.9	5.0	13.7
Other municipal staff				
Basic salaries and wages	147 341	188 980	164 984	163 469
Pension contributions	28 196	35 553	32 899	31 113
Medical aid contributions	15 485	21 317	18 640	17 111
Motor vehicle allowance	6 794	7 776	7 141	7 053
Cell phone allowance	1 254	898	1 180	1 424
Housing allowance	1 528	3 257	2 845	1 973
Overtime	18 188	12 982	15 166	20 134
Other benefits or allowances	20 857	25 987	22 360	22 176
Post-retirement benefit obligations	5 796	6 296	6 308	5 941
Subtotal - Other municipal staff	245 439	303 046	271 523	270 395
% increase/ (decrease)	0.3	23.5	10.6	10.2
Total Municipality	269 566	328 765	297 248	296 297
% increase/(decrease)	1.5	22.0	10.3	9.9

Table 254: Personnel expenditure



Chapter 5

CHAPTER 5: FINANCIAL PERFORMANCE

COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

The statement of financial performance provides an overview of the financial performance 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 2018/19 financial year:

Description	2017/18	2018/19		2018/19 Variance		
	Actual (Audited outcome)	Original budget	Adjusted budget	Actual	Original budget	Adjustments budget
	R'000				%	
Financial performance						
Property rates	126 476	145 753	134 074	137 472	-6.02	2.47
Service charges	508 227	578 888	574 963	564 827	-2.49	-1.79
Investment revenue	16 556	13 074	11 225	11 233	-16.39	0.07
Transfers recognised (operational)	130 203	146 455	144 634	133 233	-9.92	-8.56
Other own revenue	146 197	109 959	156 044	93 029	-18.20	-67.74
Total revenue (excluding capital transfers and contributions)	927 659	994 129	1 020 940	939 793	-5.78	-8.63
Employee costs	252 675	310 637	279 119	278 623	-11.49	-0.18
Remuneration of councillors	16 891	18 129	18 129	17 675	-2.57	-2.57
Depreciation and asset impairment	85 049	86 305	86 305	87 921	1.84	1.84
Finance charges	26 039	24 505	22 764	24 682	0.72	7.77
Materials and bulk purchases	278 170	293 504	318 562	314 601	6.71	-1.26
Transfers and grants	12 807	21 598	19 917	16 317	-32.37	-22.06
Other expenditure	282 452	256 669	263 758	206 907	-24.05	-27.48
Total expenditure	954 082	1 011 348	1 008 554	946 727	-6.83	-6.53
Surplus/(Deficit)	-26 423	-17 218	12 386	-6 934	-148.33	278.63
Transfers recognised (capital)	131 654	141 090	155 997	165 738	14.87	5.88
Contributions recognised capital and contributed assets	0	0	500	0	0	0
Surplus/(Deficit) after capital transfers and contributions	105 231	123 872	168 882	158 804	22.00	-6.35
Capital expenditure and funds sources						
Capital expenditure						
Transfers recognised (capital)	129 812	141 090	156 497	165 738	14.87	5.58
Public contributions and donations	1 667	0	0	0	0	0
Borrowing	21 325	0	6 443	6 281	100.00	-2.58
Internally generated funds	48 219	85 427	109 514	93 984	9.10	-16.52
Total sources of capital funds	201 022	226 517	272 454	266 003	14.84	-2.43
Financial position						
Total current assets	328 298	250 877	287 308	258 567	2.97	-11.12
Total non-current assets	2 095 716	2 331 546	2 333 541	2 288 637	-1.87	-1.96

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Description	2017/18	2018/19			2018/19 Variance	
	Actual (Audited outcome)	Original budget	Adjusted budget	Actual	Original budget	Adjustments budget
	R'000				%	
Total current liabilities	-201 833	-111 080	-111 080	-170 264	34.76	34.76
Total non-current liabilities	-446 569	-439 977	-439 977	-442 532	0.58	0.58
Community wealth/Equity	-1 775 611	-2 031 365	-2 069 792	-1 934 408	-5.01	-7.00
Cash flows						
Net cash from (used) operating	180 097	202 709	240 258	228 135	11.15	-5.31
Net cash from (used) investing	-150 256	-226 617	-272 404	-229 463	1.24	-18.71
Net cash from (used) financing	-16 968	-7 785	-7 835	-9 256	15.89	15.35
Cash/cash equivalents at the year end	12 873	-31 694	-39 981	-10 584	-199.45	-277.75
Cash backing/surplus reconciliation						
Cash and investments available	150 451	128 337	145 221	109 867	-16.81	-32.18
Application of cash and investments	-179 390	-111 080	-111 585	-140 467	20.92	20.56
Balance surplus (shortfall)	-28 939	17 257	33 637	-30 600	156.39	209.92
Asset management						
Asset register summary (WDV)	2 091 403	2 325 282	2 327 278	2 286 714	-1.69	-1.77
Depreciation and asset impairment	85 049	86 305	86 305	87 921	1.84	1.84
Renewal of existing assets	26 147	32 858	22 918	22 918	-43.37	0.00
Repairs and maintenance	61 957	69 347	71 854	61 942	-11.96	-16.00
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual</i>						

Table 255: Financial performance 2018/19

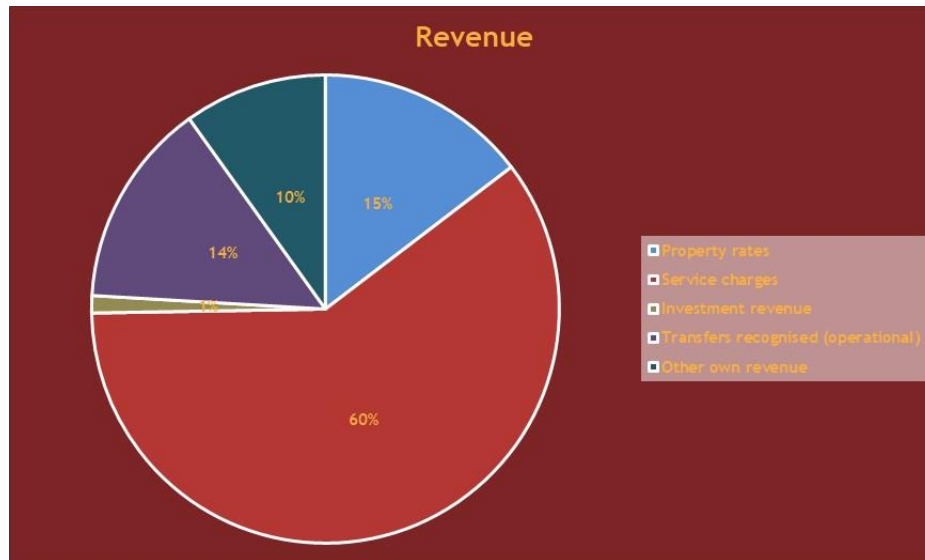
The table below shows a summary of performance against budgets

Financial year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000				R'000			
2017/18	1 174 553	1 059 314	-115 240	-10	1 023 723	954 082	69 640	7
2018/19	1 177 436	1 105 530	-71 906	-6	1 008 554	946 727	61 827	6

Table 256: Performance against budgets

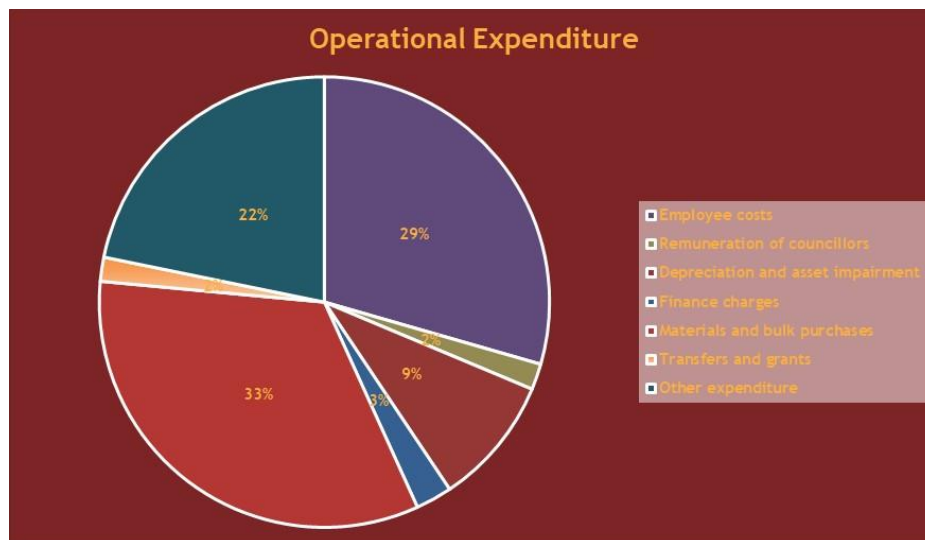
CHAPTER 5: FINANCIAL PERFORMANCE

The following graph indicates the various types of revenue items in the municipal budget for 2018/19:



Graph 10: Revenue

The following graph indicates the various types of expenditure items in the municipal budget for 2018/19:



Graph 11: Operating expenditure

5.1.1 Revenue collection by vote

The table below indicates the revenue collection performance by vote:

Vote description	2017/18	2018/19			2018/19 Variance	
	Actual (Audited outcome)	Original budget	Adjusted budget	Actual	Original budget	Adjustments budget
	R'000			%		
Vote 1 - Council General	3 290	139	74	448	69.03	83.42
Vote 2 - Municipal Manager	8 608	3 200	7 315	4 770	32.92	-53.35
Vote 3 - Strategic Support Services	477	3 134	1 670	2 508	-24.96	33.42

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Vote description	2017/18	2018/19			2018/19 Variance	
	Actual (Audited outcome)	Original budget	Adjusted budget	Actual	Original budget	Adjustments budget
	R'000			%		
Vote 4 - Financial Services	179 070	195 679	185 630	193 965	-0.88	4.30
Vote 5 - Community Services	169 578	148 562	193 080	108 794	-36.55	-77.47
Vote 6 - Technical Services	698 291	784 506	789 668	795 046	1.33	0.68
Total revenue by vote	1 059 314	1 135 219	1 177 436	1 105 530	-2.69	-6.50
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual</i>						

Table 257: Revenue by vote

5.1.2 Revenue collection by source

The table below indicates the revenue collection performance by source for the 2018/19 financial year:

Vote description	2017/18	2018/19			2018/19 Variance	
	Actual (Audited outcome)	Original budget	Adjusted budget	Actual	Original budget	Adjust-ments budget
	R'000			%		
Property rates	125 006	144 759	134 074	135 728	-6.65	1.22
Property rates – penalties & collection charges	1 470	994	0	1 744	43.03	100.00
Service charges - electricity revenue	351 233	395 845	398 479	389 166	-1.72	-2.39
Service charges - water revenue	56 725	77 097	68 183	70 217	-9.80	2.90
Service charges - sanitation revenue	65 381	67 984	69 207	67 133	-1.27	-3.09
Service charges - refuse revenue	34 887	37 962	39 095	38 310	0.91	-2.05
Service charges - other	0	0	0	0	0	0
Rentals of facilities and equipment	9 052	8 842	8 842	25 194	64.91	64.91
Interest earned - external investments	16 556	13 074	11 225	11 233	-16.39	0.07
Interest earned - outstanding debtors	6 278	3 181	5 921	6 356	49.95	6.83
Dividends received	0	0	0	0	0	0
Fines	111 978	75 258	118 395	37 240	-102.09	-217.92
Licences and permits	3 108	3 424	3 424	2 952	-15.99	-15.99
Agency services	7 630	7 793	7 793	8 507	8.39	8.39
Transfers recognised - operational	130 203	146 455	144 634	133 233	-9.92	-8.56
Other revenue	8 246	10 271	10 478	9 707	-5.81	-7.94
Gains on disposal of PPE	(95)	1 190	1 190	3 073	61.28	61.28
Total revenue (excluding capital transfers and contributions)	927 659	994 129	1 020 940	939 793	-5.78	-8.63
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual</i>						

Table 258: Revenue by source

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5.1.3 Operational services performance

The table below indicates the operational services performance for the 2018/19 financial year:

Vote description	2017/18	2018/19			2018/19 Variance	
	Actual – (Audited outcome)	Original budget	Adjusted budget	Actual	Original budget	Adjustments budget
	R'000				%	
Operating cost						
Governance and administration	6 076	-15 585	-7 255	10 873	243.33	166.72
Executive and Council	-34 433	-37 421	-35 945	-35 996	-3.96	0.14
Budget and treasury office	43 013	25 628	31 867	49 973	48.72	36.23
Corporate services	-2 503	-3 791	-3 176	-3 104	-22.15	-2.32
Community and Public Safety	-57 126	-61 631	-48 800	-45 158	-36.48	-8.06
Community and social services	-9 547	-11 725	-7 161	-7 016	-67.12	-2.07
Sport and recreation	-22 378	-21 447	-16 582	-24 131	11.12	31.28
Public safety	-28 391	-29 760	-26 246	-27 810	-7.01	5.62
Housing	3 286	1 401	1 290	13 888	89.91	90.71
Health	-97	-101	-101	-89	-13.09	-13.09
Economic and environmental services	-19 141	-26 916	-11 454	-44 511	39.53	74.27
Planning and development	-5 363	-10 837	-9 337	-9 978	-8.61	6.43
Road transport	-13 424	-15 575	-1 335	-34 092	54.31	96.08
Environmental protection	-354	-504	-782	-441	-14.34	-77.47
Trading services	176 427	228 913	237 926	239 097	4.26	0.49
Electricity	39 520	60 402	73 210	53 321	-13.28	-37.30
Water	60 100	77 673	73 085	71 531	-8.59	-2.17
Waste water management	74 424	83 878	81 274	97 524	13.99	16.66
Waste management	2 383	6 961	10 357	16 720	58.37	38.06
Other	-1 005	-910	-1 535	-1 497	39.18	-2.58
Total expenditure	105 231	123 872	168 882	158 804	22.00	-6.35

In this table operational income -but not levies or tariffs is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

Table 259: Operational services performance

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5.2 FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION

The tables below show the financial performance according to municipal functions:

5.2.1 Executive and Council

Description	2017/18	2018/19			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total operational revenue	1 270	139	1 149	1 044	86.71
Expenditure					
Employees	25 707	29 630	27 767	28 803	-2.87
Repairs and maintenance	2 638	2 002	865	729	-174.57
Other	7 358	5 928	8 462	7 508	21.05
Total operational expenditure	35 702	37 560	37 094	37 040	-1.40
Net operational (service) expenditure	-34 433	-37 421	-35 945	-35 996	-3.96

Table 260: Financial performance: Executive and Council

5.2.2 Finance and Administration

Description	2017/18	2018/19			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total operational revenue	184 645	202 538	192 930	201 912	-0.31
Expenditure:					
Employees	68 838	86 522	77 597	76 348	-13.33
Repairs and maintenance	22 511	29 398	28 725	25 657	-14.58
Other	50 284	60 990	54 742	49 934	-22.14
Total operational expenditure	141 632	176 910	161 064	151 939	-16.43
Net operational (service) expenditure	43 013	25 628	31 867	49 973	48.72

Table 261: Financial performance: Finance and administration

5.2.3 Internal Audit

Description	2017/18	2018/19			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
Total operational revenue	174	0	44	44	100.00
Expenditure:					
Employees	2 155	3 418	2 767	2 680	-27.55
Repairs and maintenance	103	202	181	165	-22.33
Other	419	171	272	303	43.44

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Description	2017/18	2018/19			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				
Total operational expenditure	2 677	3 791	3 220	3 148	-20.44
Net operational (service) expenditure	-2 503	-3 791	-3 176	-3 104	-22.15

Table 262: Financial performance: Internal audit

5.2.4 Community and Social Services

Description	2017/18	2018/19			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				
Total operational revenue	10 709	11 157	15 272	15 025	25.74
Employees	15 797	18 191	17 542	17 257	-5.42
Repairs and maintenance	1 691	2 000	1 941	1 417	-41.14
Other	2 768	2 691	2 951	3 367	20.08
Total operational expenditure	20 256	22 882	22 434	22 041	-3.82
Net operational (service) expenditure	-9 547	-11 725	-7 161	-7 016	-67.12

Table 263: Financial performance: Community and social services

5.2.5 Sport and Recreation

Description	2017/18	2018/19			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				
Total operational revenue	3 696	11 250	11 250	3 461	-225.06
Expenditure:					
Employees	15 389	19 766	17 535	17 301	-14.24
Repairs and maintenance	5 849	8 364	3 815	4 423	-89.12
Other	4 836	4 568	6 482	5 868	22.16
Total operational expenditure	26 074	32 697	27 833	27 592	-18.50
Net operational (service) expenditure	-22 378	-21 447	-16 582	-24 131	11.12

Table 264: Financial performance: Sport and recreation

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5.2.6 Public Safety

Description	2017/18	2018/19			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				
Total operational revenue	1 280	1 501	3 121	1 533	2.09
Expenditure					
Employees	25 679	26 748	23 214	25 181	-6.22
Repairs and maintenance	1 123	1 521	3 170	1 166	-30.43
Other	2 869	2 993	2 984	2 996	0.11
Total operational expenditure	29 671	31 262	29 367	29 344	-6.54
Net operational (service) expenditure	-28 391	-29 760	-26 246	-27 810	-7.01

Table 265: Financial performance: Public safety

5.2.7 Housing

Description	2017/18	2018/19			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				
Total operational revenue	32 362	39 360	35 098	40 526	2.88
Expenditure					
Employees	4 692	5 739	5 315	5 241	-9.50
Repairs and maintenance	4 181	4 148	4 850	3 166	-31.01
Other	20 203	28 071	23 642	18 230	-53.98
Total operational expenditure	29 075	37 958	33 807	26 638	-42.50
Net operational (service) expenditure	3 286	1 401	1 290	13 888	89.91

Table 266: Financial performance: Housing

5.2.8 Health

Description	2017/18	2018/19			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				
Total operational revenue	0	0	0	0	0.00
Expenditure:					
Employees	0	0	0	0	0
Repairs and maintenance	0	0	0	0	0
Other	97	101	101	89	-13.09
Total operational expenditure	97	101	101	89	-13.09
Net operational (service) expenditure	-97	-101	-101	-89	-13.09

Table 267: Financial performance: Health

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5.2.9 Planning and Development

Description	2017/18		2018/19		
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				
Total operational revenue	8 990	4 832	6 331	5 464	11.56
Expenditure:					
Employees	11 149	12 752	12 386	12 129	-5.13
Repairs and maintenance	1 048	958	1 679	1 511	36.59
Other	2 157	1 959	1 602	1 802	-8.74
Total operational expenditure	14 353	15 669	15 667	15 442	-1.47
Net operational (service) expenditure	-5 363	-10 837	-9 337	-9 978	-8.61

Table 268: Financial performance: Planning and development

5.2.10 Road Transport

Description	2017/18		2018/19		
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				
Total operational revenue	142 942	104 804	147 941	73 102	-43.37
Expenditure:					
Employees	33 586	40 725	36 174	34 886	-16.74
Repairs and maintenance	14 158	11 205	5 787	4 905	-128.44
Other	108 622	68 449	107 314	67 404	-1.55
Total operational expenditure	156 366	120 379	149 276	107 195	-12.30
Net operational (service) expenditure	-13 424	-15 575	-1 335	-34 092	54.31

Table 269: Financial performance: Road transport

5.2.11 Environmental Protection

Description	2017/18		2018/19		
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				
Total operational revenue	2 725	2 262	2 262	1 215	-86.16
Expenditure:					
Employees	(4)	796	172	51	-1406.65
Repairs and maintenance	2 791	2 487	2 624	1 360	-82.91
Other	293	-517	248	245	311.09
Total operational expenditure	3 080	2 766	3 044	1 656	-67.05
Net operational (service) expenditure	-354	-504	-782	-441	-14.34

Table 270: Financial performance: Environmental protection

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5.2.12 Energy Sources

Description	2017/18	2018/19			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				
Total operational revenue	365 297	421 140	423 818	403 650	-4.33
Expenditure					
Employees	16 922	20 821	18 757	18 199	-14.41
Repairs and Maintenance	13 567	28 251	13 483	9 989	-182.83
Other	295 288	311 667	318 368	322 141	3.25
Total operational expenditure	325 777	360 738	350 607	350 328	-2.97
Net operational (service) expenditure	39 520	60 402	73 210	53 321	-13.28

Table 271: Financial performance: Energy sources

5.2.13 Water Management

Description	2017/18	2018/19			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				
Total operational revenue	117 794	137 501	137 130	135 542	-1.45
Expenditure:					
Employees	18 941	23 203	25 189	22 208	-4.48
Repairs and Maintenance	6 039	7 053	3 873	2 976	-137.02
Other	32 714	29 572	34 981	38 827	23.84
Total operational expenditure	57 694	59 828	64 044	64 010	6.53
Net operational (service) expenditure	60 100	77 673	73 085	71 531	-8.59

Table 272: Financial performance: Water management

5.2.14 Waste Water Management

Description	2017/18	2018/19			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				
Total operational revenue	135 671	145 059	146 282	162 297	10.62
Expenditure					
Employees	16 278	21 892	17 463	19 232	-13.83
Repairs and maintenance	9 192	9 160	8 971	7 629	-20.07
Other	35 776	30 129	38 573	37 912	20.53
Total operational expenditure	61 247	61 180	65 008	64 772	5.55
Net operational (service) expenditure	74 424	83 878	81 274	97 524	13.99

Table 273: Financial performance: Waste water management

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5.2.15 Waste Management

Description	2017/18	2018/19			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				
Total operational revenue	51 759	53 676	54 809	60 716	11.59
Expenditure					
Employees	14 437	18 564	15 368	16 782	-10.62
Repairs and maintenance	12 881	10 315	6 254	6 230	-65.55
Other	22 059	17 837	22 830	20 983	15.00
Total operational expenditure	49 376	46 716	44 452	43 996	-6.18
Net operational (service) expenditure	2 383	6 961	10 357	16 720	58.37

Table 274: Financial performance: Waste management

5.2.16 Other

Description	2017/18	2018/19			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				
Total operational revenue	0	0	0	0	0
Expenditure:					
Employees	0	0	0	0	0
Repairs and maintenance	216	462	1 017	920	49.84
Other	788	449	518	576	22.15
Total operational expenditure	1 005	910	1 535	1 497	39.18
Net operational (service) expenditure	-1 005	-910	-1 535	-1 497	39.18

Table 275: Financial performance: Other

5.3 GRANTS

5.3.1 Grant performance

The table below indicates the grant performance for the 2018/19 financial year:

Description	2017/18	2018/19			2018/19 Variance	
	Actual (Audited outcome)	Original budget	Adjustments budget	Actual	Original budget	Adjustments budget
	R'000					%
Operating and capital transfers and grants						
National Government:	144 747	152 403	152 403	151 081	-0.87	-0.87
Equitable share	98 097	108 977	108 977	108 977	0.00	0.00
Expanded Public Works Programme	2 093	3 066	3 066	3 066	0.00	0.00
MIG - Project Management Unit	35 007	33 810	33 810	32 488	-4.07	-4.07

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Description	2017/18	2018/19			2018/19 Variance	
	Actual (Audited outcome)	Original budget	Adjustments budget	Actual	Original budget	Adjustments budget
	R'000				%	
Electricity Integrated National electrification project	8 000	5 000	5 000	5 000	0.00	0.00
Finance Management Grant	1 550	1 550	1 550	1 550	0.00	0.00
Provincial Government:	111 132	131 780	144 245	145 384	9.36	0.78
Housing	93 509	118 080	120 882	124 366	5.05	2.80
Proclaimed roads	149	150	150	150	0.00	0.00
Dept Sport and culture	100	0	0	0	0.00	0.00
Community Development Workers Operating Grant	43	93	0	0	0.00	0.00
Library Grant	9 192	9 517	13 632	13 632	30.19	0.00
Fire Service capacity	0	0	1 500	1 497	100.00	-0.23
Financial Management Support Grant	455	280	1 324	324	13.62	-308.50
Local Government Graduate Internship	99	0	339	339	100.00	0.00
Financial Management Capacity Grant	0	360	1 110	750	52.00	-48.00
Thusong centre	0	100	100	100	0.00	0.00
RSEP Projects	7 585	3 200	5 208	4 226	24.28	-23.24
Other grant providers:	5 980	3 362	4 482	2 506	-34.19	-78.89
Seta	285	1 100	1 100	734	-49.79	-49.79
Roads additional funding	0	0	0	25	100.00	100.00
Working for Water - DWAF	2 725	2 262	2 262	1 215	-86.16	-86.16
Equipment Urban Seach	120	0	120	0	0.00	0.00
Community Development Cape Winelands	800	0	500	500	100.00	0.00
Donation - other	50	0	500	31	100.00	-1512.90
Donated assets - capital portion	2 000	0	0	0	0.00	0.00
Total Operating Transfers and Grants	261 859	287 545	301 130	298 970	3.82	-0.72

Table 276: Grant performance for 2018/19

5.3.2 Conditional grants (excl. MIG)

The performance in the spending of conditional grants is summarised as follows:

Description	2017/18	2018/19			2018/19 Variance	
	Actual (Audited outcome)	Budget	Adjustments budget	Actual	Original budget	Adjustments budget
	R'000				%	
Equitable share	98 097	108 977	108 977	108 977	0.00	0.00
Expanded Public Works Programme	2 093	3 066	3 066	3 066	0.00	0.00
Electricity Integrated National electrification project	8 000	5 000	5 000	5 000	0.00	0.00
Finance Management Grant	1 550	1 550	1 550	1 550	0.00	0.00
Housing	93 509	118 080	120 882	124 366	5.05	2.80

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Description	2017/18	2018/19			2018/19 Variance	
	Actual (Audited outcome)	Budget	Adjustments budget	Actual	Original budget	Adjustments budget
	R'000				%	
Proclaimed roads	149	150	150	150	0.00	0.00
Dept Sport and culture	100	0	0	0	0.00	0.00
Community Development Workers Operating Grant	43	93	0	0	0.00	0.00
Library Grant	9 192	9 517	13 632	13 632	30.19	0.00
Fire Service capacity	0	0	1 500	1 497	100.00	-0.23
Financial Management Support Grant	455	280	1 324	324	13.62	-308.50
Local Government Graduate Internship	99	0	339	339	100.00	0.00
Management Support Grant	0	360	1 110	750	52.00	-48.00
Thusong centre	0	100	100	100	0.00	0.00
RSEP Projects	7 585	3 200	5 208	4 226	24.28	-23.24
Seta	285	1 100	1 100	734	-49.79	-49.79
Medicinal Plans Project	0	0	0	25	100.00	100.00
Working for Water - DWAF	2 725	2 262	2 262	1 215	-86.16	-86.16
Equipment Urban Seach	120	0	120	0	0.00	0.00
Projec preperation ground water	800	0	500	500	100.00	0.00
Donation - other	50	0	500	31	0.00	0.00
Donated assets - capital portion	2 000	0	0	0	0.00	0.00
Total	226 852	253 735	267 320	266 482	4.78	-0.31

** 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 277: Conditional grant (excl. MIG)

No grants have been held back over the financial year. All unspent grants after roll-over approval will be included in programs for the 2018/19 financial year.

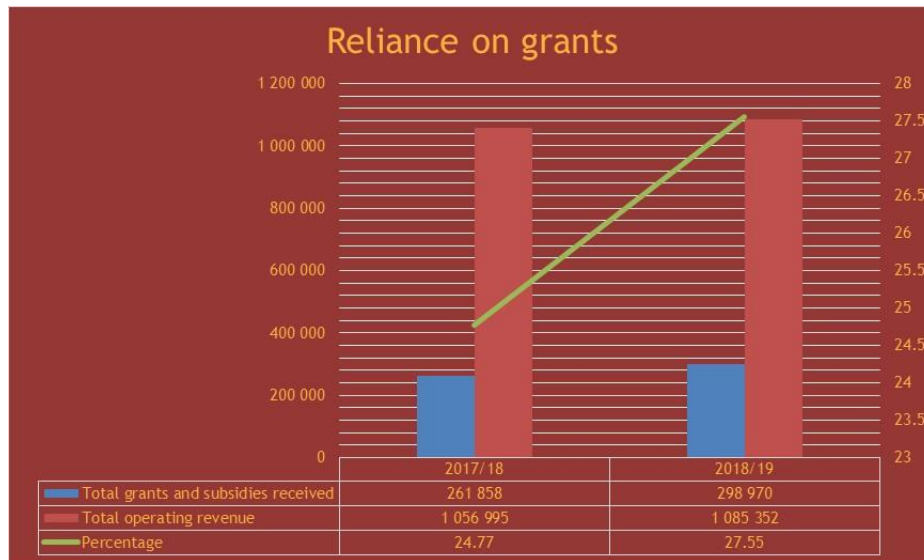
5.3.3 Level of reliance on grants and subsidies

Financial year	Total grants and subsidies received	Total operating revenue	Percentage
	R'000		%
2017/18	261 859	1 056 995	24.77
2018/19	298 970	1 085 352	27.55

Table 278: Reliance on grants

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The following graph indicates the Municipality's reliance on grants for the last two financial years:



Graph 12: Reliance on grants

5.4 ASSET MANAGEMENT

The assets of the Breede Valley Municipality (BVM) are managed in accordance with the Asset Management Policy.

The policy is drawn up in line with the relevant statutory and regulatory frameworks and the relevant GRAP standards as set out by The Accounting Standards Board.

The key elements are:

Responsibilities of:

1. The Accounting Officer (Municipal Manager) - overall responsible for the assets of BVM
2. The Chief Financial Officer (Director: Finance) - delegated to ensure safeguarding of assets
3. The Asset Manager - accountable for asset under his/her directorate
4. The Asset Champions - senior officials responsible per department
5. The Asset Management Division - maintenance of the asset register, review and verifications
6. The Budgetary Division - providing detail on capital expenditure and funding

Financial management:

1. Planning
2. Funding
3. Acquisition

Accounting:

1. Capitalisation
2. Classification of the assets
3. Costing process
4. Depreciation method; impairment
5. Disclosure

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Internal control:

1. Asset register
2. Transfer
3. Safeguarding – Lost, theft, destruction
4. Verification and review

Disposal

Key issues under development

The constant development in GRAP and the addition of GRAP 21 and 26 on impairment request reviews in the policy.

5.4.1 Treatment of the three largest assets

Asset 1		
Name	Worcester Waste Water Treatment Works	
Description	WWTW	
Asset type	Infrastructure (Sewer)	
Key staff involved	Senior Manager: Water and Sanitation	
Staff responsibilities	Managing and maintaining the daily operations of the plant	
Asset value	2017/18	2018/19
	137 020	144 930
Capital implications	Augmentation of works	
Future purpose of asset	Treatment of sewerage water in order to comply with legislation	
Describe key issues	Budgets insufficiencies, minimum qualifications of process controllers, insufficient staff complement	
Policies in place to manage asset	Asset Management Policy, Water Services Development Plan	

Table 279: Summary of largest asset

Asset 2		
Name	Reservoir Stettynskloof	
Description	Stettynskloof Water	
Asset type	Infrastructure (Water)	
Key staff involved	Senior Manager: Water and Sanitation	
Staff responsibilities	Operational and maintenance	
Asset value	2017/18	2018/19
	166 905	350 093
Capital implications	Augmentation of water supply system	
Future purpose of asset	Supply of potable water to the communities of Worcester and Rawsonville	
Describe key issues	Budgets insufficiencies, minimum qualifications of process controllers, insufficient staff complement	
Policies in place to manage asset	Asset Management Policy, Water Services Development Plan, Operational Plan, Safety Plan, Plant Operating Plan	

Table 280: Summary of 2nd largest asset

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Asset 2		
Name	Residential Consumers Pre-paid	
Description	Electric Pre-paid Meters	
Asset type	Infrastructure (Electricity)	
Key staff involved	Senior Manger Electrical Services	
Staff responsibilities	Operational and maintenance	
Asset value	2017/18	2018/19
	44 450	46 161
Capital implications	Augmentation of works	
Future purpose of asset	Revenue protection for municipality; ensure income	
Describe key issues	Budgets insufficiencies, minimum qualifications of process controllers, insufficient staff complement	
Policies in place to manage asset	Customer Care Policy, Municipal Bylaw, Asset Management Policy	

Table 281: Summary of 3rd largest asset

5.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

5.5.1 Liquidity ratio

Description	Basis of calculation	2017/18	2018/19
		Audited outcome	Pre-audit outcome
Current ratio	Current assets/current liabilities	1.63	1.51
Current ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.55	1.39
Liquidity ratio	Monetary assets/current liabilities	0.75	0.98

Table 282: Liquidity financial ratio

The current ratio indicates a Council's ability to meet its financial obligations such as payment for goods and services supplied. A ratio of 1:1 indicates that unrestricted current assets are available on hand to meet unrestricted current liabilities. It is furthermore an indication of a Council's solvency. Breede Valley's current ratio is 1.51:1 in 2018/19 which is above the norm and indicates that Council has sufficient cash on hand to meets its short-term liabilities.

The following graph indicates the liquidity financial ratio for 2018/19:



Graph 13: Liquidity ratio

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5.5.2 IDP regulation financial viability indicators

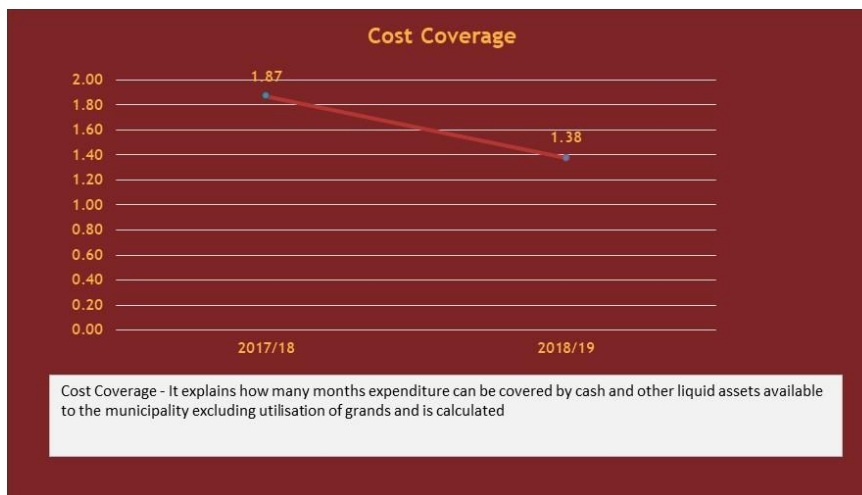
Description	Basis of calculation	2017/18	2018/19
		Audited outcome	Pre-audit outcome
Cost coverage	(Available cash + investments)/monthly fixed operational expenditure	1.87	1.38
Total outstanding service debtors to revenue	Total outstanding service debtors/annual revenue received for services	15.16%	16.93%
Debt coverage	(Total operating revenue - operating grants)/debt service payments due within financial year	21.27%	27.70%

Table 283: Financial viability national KPAs

a) Cost Coverage

This ratio indicates the Municipality's ability to meet its short-term (monthly) expenditures. It takes into consideration all available cash at a particular time including income from investments. The ratio has to be in excess of 1:1 with 1.38:1 being an acceptable ratio, because the ratio is even more than 1:1. The Municipality might even consider reducing its cash levels to pay back its debt. However, this ratio should be read in conjunction to other ratios

The following graph indicates the cost coverage financial viability indicator:



Graph 14: Cost coverage

b) Outstanding Service Debtors to Revenue

This ratio indicates how effective revenue collection is being executed by the Municipality. The current outstanding debt is 16.93% of revenue. The Municipality should continuously enhance revenue collection mechanisms and enforce debt collection policies.

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The following graph indicates the outstanding service to revenue financial viability indicator:



Graph 15: Total outstanding service debtors

c) Debt Coverage

The debt coverage ratio shows the Municipality's ability to service its debt payments. A debt coverage ratio of 2 is generally considered acceptable assuming the other tests of safety have been met. The higher the debt service ratio, the lower the risk. The municipality's ratio 27.70 in 2018/19.

The following graph indicates the debt coverage financial viability indicator:



Graph 16: Debt coverage

5.5.3 Creditors management

Description	Basis of calculation	2017/18	2018/19
		Audited outcome	Pre-audit outcome
Creditors system efficiency	% of creditors paid within terms (within MFMA Section 65(e))	100%	100%

Table 284: Creditors management

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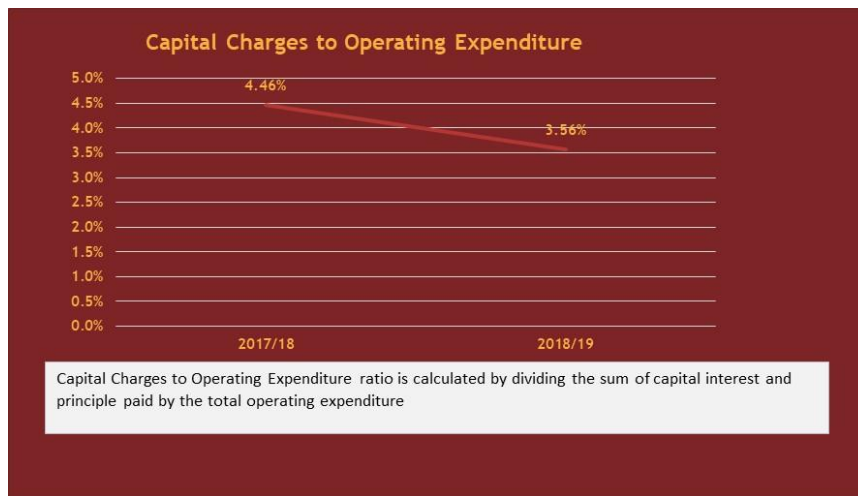
5.5.4 Borrowing management

Description	Basis of calculation	2017/18	2018/19
		Audited outcome	Pre-audit outcome
Capital charges to operating expenditure	Interest and principal paid /operating expenditure	4.46%	3.56%

Table 285: Borrowing management

The ratio gives an indication of the total percentage paid on external loans. The ratio decreased from 4.46% in 2017/18 to 3.56% in 2018/19 which is within the norm of 18%.

The following graph indicates the ratio of capital charges to operating expenditure:



Graph 17: Capital charges to operating expenditure ratio

5.5.5 Employee costs

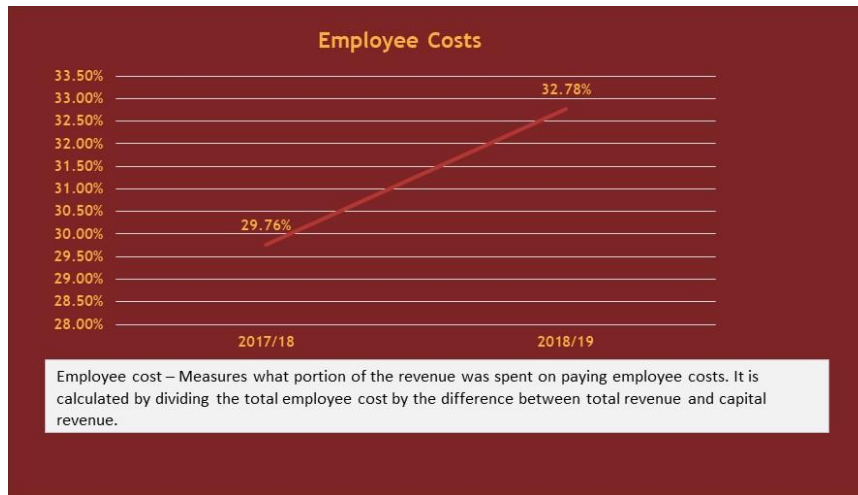
Description	Basis of calculation	2017/18	2018/19
		Audited outcome	Pre-audit outcome
Employee costs	Employee costs/ (Total Revenue - capital revenue)	29.76%	32.78%

Table 286: Employee costs

The ratio gives an indication of the total percentage paid on employee cost. The ratio increased from 29.76% in 2017/18 to 32.78% in 2018/19 and is still within the norm of 35%.

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The following graph indicates the employee costs ratio:



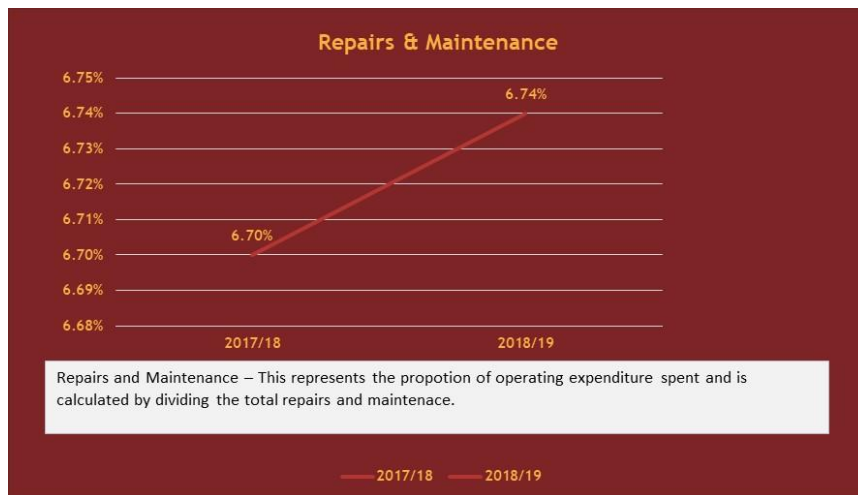
Graph 18: Employee costs ratio

5.5.6 Repairs and maintenance

Description	Basis of calculation	2017/18	2018/19
		Audited outcome	Pre-audit outcome
Repairs and maintenance	RandM/ (Total revenue excluding capital revenue)	6.70%	6.74%

Table 287: Repairs and maintenance

The following graph indicates the ratio of repairs and maintenance:



Graph 19: Repairs and maintenance ratio

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings and operating expenditures and surpluses. Component B deals with capital spending indicating where the funding comes from and whether municipalities can spend the available funding as planned. In this component it is important to indicate the different sources of funding as well as how these funds are spend.

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5.6 CAPITAL EXPENDITURE

5.6.1 Capital expenditure by new assets programme

Description	2017/18	Budget Year 2018/19			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R'000							
<u>Capital expenditure on new assets by Asset Class/Sub-class</u>							
Infrastructure	142 896	137 453	163 087	169 180	121 085	19 696	58 237
Roads Infrastructure	34 996	19 320	19 020	24 276	16 335	19 696	0
Roads	34 996	19 320	19 020	24 276	15 775	19 636	0
Road Structures	0	0	0	0	560	0	0
Road Furniture	0	0	0	0	0	60	0
Capital Spares	0	0	0	0	0	0	0
Storm water Infrastructure	19 479	18 820	18 820	24 216	15 465	0	10 077
Drainage Collection	0	975	975	69	0	2 963	2 022
Storm water Conveyance	19 479	17 845	17 845	24 146	15 465	12 948	8 055
Attenuation	0	0	0	0	0	0	0
Electrical Infrastructure	10 527	21 131	25 818	13 741	15 068	0	18 009
Power Plants	0	0	0	0	0	0	0
HV Substations	0	0	0	0	0	0	0
HV Switching Station	0	0	0	0	0	0	0
HV Transmission Conductors	0	0	0	0	0	0	0
MV Substations	0	0	3 200	2 965	0	0	0
MV Switching Stations	0	0	0	0	0	0	0
MV Networks	0	0	0	0	0	0	0
LV Networks	9 730	21 131	21 657	9 854	14 938	15 008	18 009
Capital Spares	798	0	960	921	130	0	0
Water Supply Infrastructure	44 084	58 861	70 728	72 832	33 294	0	21 169
Dams and Weirs	0	0	0	0	0	0	0
Boreholes	0	0	0	0	0	0	0
Reservoirs	26 395	29 773	29 315	26 103	10 653	12 053	13 425
Pump Stations	0	10 040	22 365	22 583	0	0	0
Water Treatment Works	0	0	0	0	7 108	10 566	5 024
Bulk Mains	0	0	0	0	0	0	0
Distribution	17 689	19 048	19 048	24 146	15 533	8 719	2 719
Distribution Points	0	0	0	0	0	0	0
PRV Stations	0	0	0	0	0	0	0
Capital Spares	0	0	0	0	0	0	0

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Description	2017/18	Budget Year 2018/19			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R'000							
Sanitation Infrastructure	30 398	19 322	21 463	25 677	22 471	0	8 594
Pump Station	13 976	12	1 654	1 052	0	0	0
Reticulation	16 422	18 959	19 129	24 185	16 024	7 120	1 120
Waste Water Treatment Works	0	350	680	440	6 447	0	7 474
Outfall Sewers	0	0	0	0	0	0	0
Toilet Facilities	0	0	0	0	0	0	0
Capital Spares	0	0	0	0	0	0	0
Solid Waste Infrastructure	3 413	0	7 238	8 438	18 453	0	388
Landfill Sites	3 413	0	0	0	0	0	0
Waste Transfer Stations	0	0	7 238	8 438	18 453	0	388
Waste Processing Facilities	0	0	0	0	0	0	0
Waste Drop-off Points	0	0	0	0	0	0	0
Waste Separation Facilities	0	0	0	0	0	0	0
Electricity Generation Facilities	0	0	0	0	0	0	0
Capital Spares	(0)	0	0	0	0	0	0
Rail Infrastructure	0	0	0	0	0	0	0
Rail Lines	0	0	0	0	0	0	0
Rail Structures	0	0	0	0	0	0	0
Rail Furniture	0	0	0	0	0	0	0
Drainage Collection	0	0	0	0	0	0	0
Storm water Conveyance	0	0	0	0	0	0	0
Attenuation	0	0	0	0	0	0	0
MV Substations	0	0	0	0	0	0	0
LV Networks	0	0	0	0	0	0	0
Capital Spares	0	0	0	0	0	0	0
Coastal Infrastructure	0	0	0	0	0	0	0
Sand Pumps	0	0	0	0	0	0	0
Piers	0	0	0	0	0	0	0
Revetments	0	0	0	0	0	0	0
Promenades	0	0	0	0	0	0	0
Capital Spares	0	0	0	0	0	0	0
Information and Communication Infrastructure	0	0	0	0	0	0	0
Data Centres	0	0	0	0	0	0	0
Core Layers	0	0	0	0	0	0	0
Distribution Layers	0	0	0	0	0	0	0

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Description	2017/18	Budget Year 2018/19			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
	R'000						
Capital Spares	0	0	0	0	0	0	0
<u>Community Assets</u>	6 365	11 091	4 203	3 632	13 520	0	10 773
Community Facilities	6 365	2 550	3 620	3 200	4 659	0	2 773
Halls	0	0	0	0	0	0	0
Centres	2 001	2 200	3 270	2 698	1 125	0	0
Crèches	0	0	0	0	681	0	0
Clinics/Care Centres	0	0	0	0	0	0	0
Fire/Ambulance Stations	84	0	0	0	1 424	0	2 773
Testing Stations	0	0	0	0	0	0	0
Museums	0	0	0	0	0	0	0
Galleries	0	0	0	0	0	0	0
Theatres	0	0	0	0	0	0	0
Libraries	0	0	0	0	0	0	0
Cemeteries/Crematoria	0	0	0	0	0	0	0
Police	0	0	0	0	0	0	0
Purfs	0	0	0	0	0	0	0
Public Open Space	4 280	0	0	0	420	0	0
Nature Reserves	0	0	0	0	0	0	0
Public Ablution Facilities	0	0	0	0	0	0	0
Markets	0	0	0	0	0	0	0
Stalls	0	0	0	0	0	0	0
Abattoirs	0	0	0	0	0	0	0
Airports	0	0	0	0	0	0	0
Taxi Ranks/Bus Terminals	0	0	0	0	0	0	0
Capital Spares	0	350	350	502	1 009	0	0
Sport and Recreation Facilities	0	8 541	583	432	8 861	0	8 000
Indoor Facilities	0	0	0	0	0	0	0
Outdoor Facilities	0	8 541	583	432	8 861	3 000	8 000
Capital Spares	0	0	0	0	0	0	0
<u>Heritage assets</u>	0	0	0	0	0	0	0
Monuments	0	0	0	0	0	0	0
Historic Buildings	0	0	0	0	0	0	0
Works of Art	0	0	0	0	0	0	0
Conservation Areas	0	0	0	0	0	0	0
Other Heritage	0	0	0	0	0	0	0

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Description	2017/18	Budget Year 2018/19			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
	R'000						
Investment properties	0	0	0	0	0	0	0
Revenue Generating	0	0	0	0	0	0	0
Improved Property	0	0	0	0	0	0	0
Unimproved Property	0	0	0	0	0	0	0
Non-revenue Generating	0	0	0	0	0	0	0
Improved Property	0	0	0	0	0	0	0
Unimproved Property	0	0	0	0	0	0	0
Other assets	4 263	1 000	22 663	22 143	1 010	0	400
Operational Buildings	4 263	1 000	22 663	22 143	1 010	0	400
Municipal Offices	4 263	800	22 563	22 044	660	400	400
Pay/Enquiry Points	0	0	0	0	0	0	0
Building Plan Offices	0	0	0	0	0	0	0
Workshops	0	0	0	0	0	0	0
Yards	0	0	0	0	0	0	0
Stores	0	0	0	0	0	0	0
Laboratories	0	0	0	0	0	0	0
Training Centres	0	0	0	0	0	0	0
Manufacturing Plant	0	200	100	99	0	0	0
Depots	0	0	0	0	350	0	0
Capital Spares	0	0	0	0	0	0	0
Housing	0	0	0	0	0	0	0
Staff Housing	0	0	0	0	0	0	0
Social Housing	0	0	0	0	0	0	0
Capital Spares	0	0	0	0	0	0	0
Biological or Cultivated Assets	0	0	0	0	0	0	0
Biological or Cultivated Assets	0	0	0	0	0	0	0
Intangible Assets	0	1 195	3 545	1 950	30	0	0
Servitudes	0	0	0	0	0	0	0
Licences and Rights	0	1 195	3 545	1 950	30	0	0
Water Rights	0	0	0	0	0	0	0
Effluent Licenses	0	0	0	0	0	0	0
Solid Waste Licenses	0	0	0	0	0	0	0
Computer Software and Applications	0	1 195	3 545	1 950	30	0	0
Load Settlement Software Applications	0	0	0	0	0	0	0
Unspecified	0	0	0	0	0	0	0

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Description	2017/18	Budget Year 2018/19			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
	R'000						
Computer Equipment	330	582	1 720	41	0	0	0
Computer Equipment	330	582	1 720	41	0	0	0
Furniture and Office Equipment	616	1 238	608	78	1 000	0	25
Furniture and Office Equipment	616	1 238	608	78	1 000	250	25
Machinery and Equipment	1 896	23 190	29 381	23 344	17 550	0	5 647
Machinery and Equipment	1 896	23 190	29 381	23 344	17 550	2 550	5 647
Transport Assets	2 353	5 550	11 998	9 628	2 530	0	0
Transport Assets	2 353	5 550	11 998	9 628	2 530	3 820	0
Libraries	0	0	0	0	0	0	0
Libraries	0	0	0	0	0	0	0
Zoo's, Marine and Non-biological Animals	0	0	0	0	0	0	0
Zoo's, Marine and Non-biological Animals	0	0	0	0	0	0	0
Total Capital Expenditure on new assets	158 719	181 299	237 205	229 994	156 726	19 696	75 082

Table 288: Capital expenditure: New assets programme

5.7 SOURCES OF FINANCE

The table below indicates the capital expenditure by funding source for the 2018/19 financial year:

Details	2017/18	2018/19			2018/19 Variance	
	Audited outcome	Original budget (OB)	Adjustment budget	Actual	Adjustment to OB variance	Actual to OB variance
	R'000				%	
Source of finance						
External loans	21 325	0	6 443	6 281	0.00	0.00
Public contributions and donations	1 843	0	0	0	0.00	0.00
Grants and subsidies	129 812	141 240	156 911	165 707	11.10	6.23
Other	48 042	85 427	109 514	94 015	28.20	-18.14
Total	201 022	226 667	272 868	266 003	20.38	-3.03
Percentage of finance						
External loans	11	0	2	2		
Public contributions and donations	1	0	0	0		
Grants and subsidies	65	62	58	62		
Own funding	24	38	40	35		
Capital expenditure						

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Details	2017/18	2018/19			2018/19 Variance	
	Audited outcome	Original budget (OB)	Adjustment budget	Actual	Adjustment to OB variance	Actual to OB variance
	R'000				%	
Water and sanitation	90 834	115 102	125 919	138 823	9.40	11.21
Electricity	12 878	38 281	46 254	27 408	20.83	-49.23
Housing	0	0	0	0	0.00	0.00
Roads and storm water	62 858	26 670	37 418	40 510	40.30	11.59
Other	34 452	46 614	63 277	59 262	35.75	-8.61
Total	201 022	226 667	272 868	266 003	20.38	-3.03
Percentage of expenditure						
Water and sanitation	45	51	46	52		
Electricity	6	17	17	10		
Housing	0	0	0	0		
Roads and storm water	31	12	14	15		
Other	17	21	23	22		

Table 289: Capital expenditure by funding source

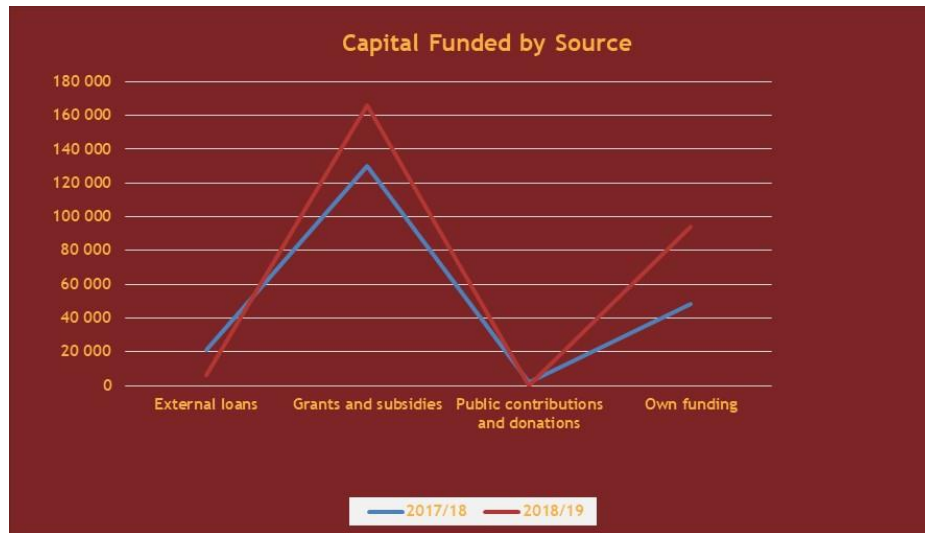
5.7.1 Capital funded by source

Description source	2017/18	2018/19
	R'000	
External loans	21 325	6 281
Grants and subsidies	129 812	165 707
Public contributions and donations	1 843	0
Own funding	48 042	94 015
Total capital expenditure	201 022	266 003

Table 290: Capital funded by source

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The following graph indicates capital expenditure funded by the various sources:



Graph 20: Capital funded by source

5.8 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Projects with the highest capital expenditure in 2018/19

Name of project	2018/19			Variance current year: 2018/19	
	Original budget	Adjustment budget	Actual expenditure	Original variance	Adjustment variance
	R'000			%	
Langerug Reservoir	25 934	25 170	25 088	-3.26%	-0.33%
Sewer pump station and rising main	10 040	23 358	22 583	124.93%	-3.32%
Bulk Electrical: Worcester Transhex 7300	18 300	18 300	8 558	-53.24%	-53.24%
Resealing of Municipal Roads - Worcester	4 500	15 607	13 373	197.17%	-14.32%
Worcester Material Recovery Facility	0	8 438	8 438	0.00	0.00

Table 291: Capital expenditure on the 5 largest projects

5.9 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

5.9.1 Municipal Infrastructure Grant (MIG) expenditure on service backlogs

Details	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjustments Budget
	R'000			%	%
Infrastructure - Water	26 436 411	25 567 004	25 287 977	-4.54	-1.10
Reservoirs	26 236 411	25 170 144	25 087 977	-4.58	-0.33
Reticulation	200 000	396 860	200 000	0.00	-98.43
Infrastructure - Sanitation	212 184	212 184	12 184	-1641.50	-1641.50
Reticulation	200 000	200 000	0	0.00	0.00

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Details	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjustments Budget
	R'000			%	%
<i>Sewerage purification</i>	12 184	12 184	12 184	0.00	0.00
Infrastructure - Refuse removal	0	7 188 000	7 188 000	100.00	0.00
Infrastructure - Electricity	0	842 812	0	0.00	0.00
<i>Reticulation</i>	0	842 812	0	0.00	0.00
Other Specify: Recreational facilities	7 161 405	0	0	0.00	0.00
<i>Outdoor Sport facilities</i>	7 161 405	0	0	0.00	0.00
Total	33 810 000	33 810 000	32 488 161	-4.07	-4.07

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

Table 292: Municipal Infrastructure Grant (MIG) expenditure on service backlogs

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

- ☞ BVM ensure the availability at all times of adequate liquid resources for operational purpose and investment in assets.
- ☞ Obtain an optimal balance between available cash and cash investments.
- ☞ Attain the highest possible return at the lowest risk on investments
- ☞ Ensure the safety of public funds by proper stewardship and accountability of cash resources.
- ☞ Collect all monies as soon as possible after they become payable and deposit it into a bank account.
- ☞ Ensure effective control over expenditure and proper planning of payments.
- ☞ Cash receipts are balanced daily.
- ☞ All monies are banked promptly.
- ☞ Adequate internal control systems exist.
- ☞ Assets are safeguarded to prevent theft and fraud.
- ☞ Audit checks are carried out regularly.
- ☞ Bank reconciliations are prepared and certified regularly.
- ☞ Payment of creditors and salaries are controlled.

5.10 CASH FLOW

Description	2017/18	2018/19		
	Audited outcome	Original budget	Adjusted budget	Actual
R'000				
Cash flow from operating activities				
Receipts				
Ratepayers and other	627 314	764 950	751 338	731 517
Government – operating	120 238	146 455	143 813	133 258
Government – capital	158 728	141 090	149 383	139 510
Interest	20 825	15 951	17 147	14 983

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Description	2017/18	2018/19		
	Audited outcome	Original budget	Adjusted budget	Actual
R'000				
Dividends	0	0	0	0
Payments				
Suppliers and employees	-713 592	-819 090	-777 260	-752 306
Finance charges	-26 039	-25 050	-24 505	-24 682
Transfers and Grants	-12 807	-21 598	-19 658	-16 317
Net cash from/(used) operating activities	174 668	202 709	240 258	225 963
Cash flow from investing activities				
Receipts				
Proceeds on disposal of PPE	31	0	0	3 735
Decrease (Increase) in non-current debtors	0	0	0	0
Decrease (increase) in other non-current receivables	3 736	100	100	4 816
Decrease (increase) in non-current investments	44 075	0	0	30 704
Payments				
Capital assets	-199 022	-226 667	-272 454	-266 277
Net cash from/(used) investing activities⁰	-151 181	-226 567	-272 354	-227 022
Cash flows from financing activities				
Receipts				
Short term loans	0	0	0	0
Borrowing long term/refinancing	0	0	0	0
Increase (decrease) in consumer deposits	73	0	0	0
Payments				
Repayment of borrowing	-10 615	-7 835	-7 835	-9 525
Net cash from/(used) financing activities	-10 615	-7 835	-7 835	-9 525
Net increase/(decrease) in cash held	12 873	-31 694	-39 931	-10 584
Cash/cash equivalents at the year begin	92 578	160 031	150 451	105 451
Cash/cash equivalents at the year-end	105 451	128 337	110 520	94 867

Source: MBRR SA7

Table 293: Cash flow

5.11 GROSS OUTSTANDING DEBTORS PER SERVICE

Financial year	Rates	Trading services	Economic services	Housing rentals	Other	Total
		(Electricity and water)	(Sanitation and refuse)			
R'000						
2017/18	29 736	74 081	49 417	6 319	11 281	170 835
2018/19	28 276	95 652	55 244	8 534	15 372	203 079

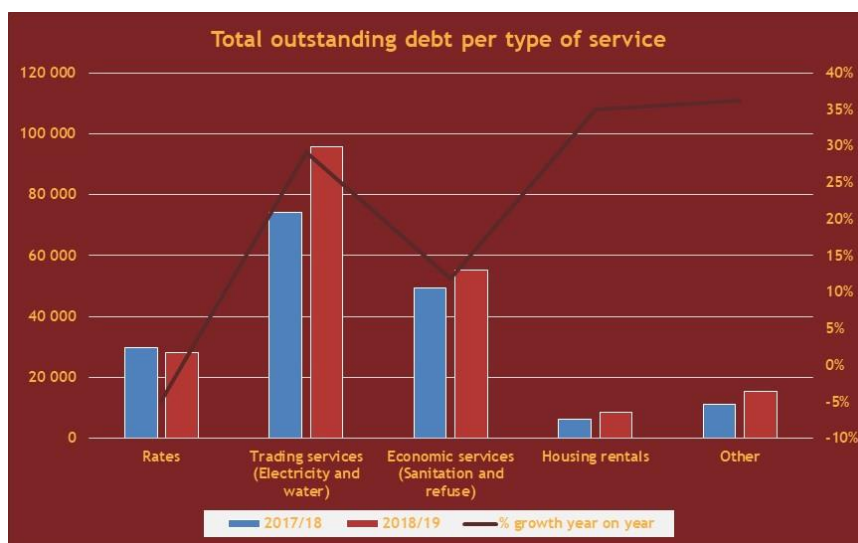
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Financial year	Rates	Trading services	Economic services	Housing rentals	Other	Total
		(Electricity and water)	(Sanitation and refuse)			
R'000						
Difference	-1 460	21 571	5 827	2 215	4 091	32 244
% growth year on year	-5	29	12	35	36	19

Note: Figures exclude provision for bad debt

Table 294: Gross outstanding debtors per service

The following graph indicates the total outstanding debt per type of service and the increase from 2017/18 to 2018/19:



Graph 21: Debt per type of service

5.12 TOTAL DEBTORS AGE ANALYSIS

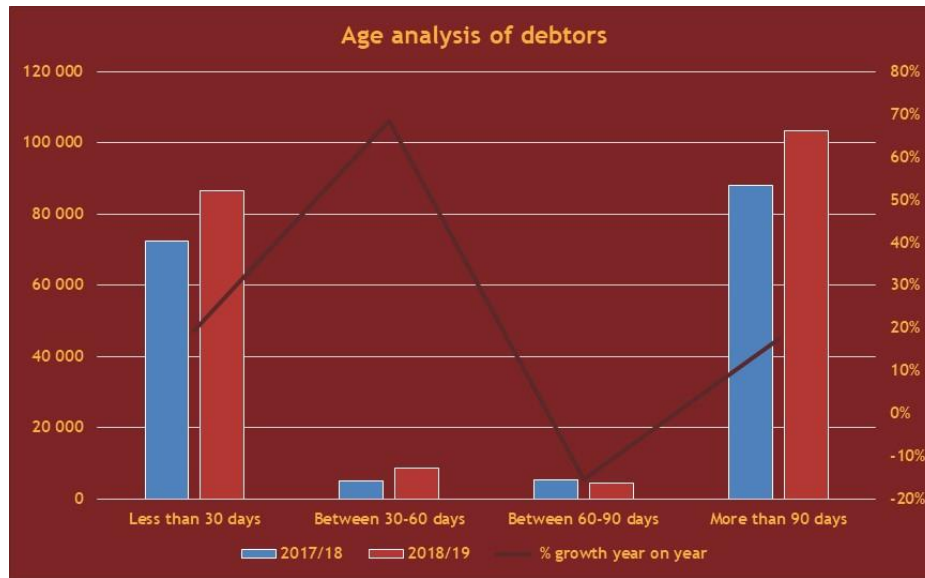
Financial year	Less than 30 days	Between 30-60 days	Between 60-90 days	More than 90 days	Total
	R'000				
2017/18	72 413	5 183	5 335	87 903	170 835
2018/19	86 522	8 739	4 515	103 304	203 079
Difference	14 108	3 556	-820	15 401	32 244
% growth year on year	19	69	-15	18	19

Note: Figures exclude provision for bad debt

Table 295: Service debtor age analysis

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The following graph indicates the age analysis of debtors and the increase/decrease from 2017/18 to 2018/19:



Graph 22: Age analysis of debtors

5.13 BORROWING AND INVESTMENTS

Money not immediately required is invested within a timeframe of 1 month to 12 months.

The Investment Policy is approved and gives effect to regulations.

5.13.1 Actual borrowings

Instrument	2017/18	2018/19
	R'000	
Long-term loans (annuity/reducing balance)	230 072	220 376
Long-term loans (non-annuity)	0	0
Local registered stock	0	0
Instalment credit	0	0
Financial leases	0	0
PPP liabilities	0	0
Finance granted by Cap equipment supplier	0	0
Marketable bonds	0	0
Non-marketable bonds	0	0
Bankers acceptances	0	0
Financial derivatives	0	0
Other securities	0	0
Municipality total	230 072	220 376

Table 296: Actual borrowings

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5.13.2 *Municipal investments*

Investment* type	2017/18	2018/19
	R'000	
Securities - National government	0	0
Listed corporate bonds	0	0
Deposits – Bank	45 925	15 221
Deposits - Public investment commissioners	0	0
Deposits - Corporation for public deposits	0	0
Bankers acceptance certificates	0	0
Negotiable certificates of deposit – Banks	0	0
Guaranteed endowment policies (sinking)	0	0
Repurchase agreements – Banks	0	0
Municipal bonds	0	0
Other	0	0
Municipality total	45 925	15 221

Table 297: Municipal investments

The table below indicates the declaration of loans and grants made by the Municipality for the 2018/19 financial year:

All Organisations or Persons In Receipt Of Grants Provided By The Municipality	Value 2018/19	Total amount committed over previous and future years
	R'000	
Donation for Steenvleit Prim	3	–
Donation to Sonlandela Crech	2	–
Donation to Khwezi Youth Dev	2	–
Donation to Clyde Sass Brass	3	–
Donation to Worcester House	3	–
Donation to Helpmekaar Bejaa	3	–
Donation to Women O Strength	2	–
Donation to Botha's Halte Pr	2	–
Donation to Ethiopian Church	2	–
Donation to Khanyisa Gemmesk	2	–
Donation to Chipros L.G.B	4	–
Donation to New Pentecoastal	3	–
Donation to Vgk Worcester -S	2	–
Donation to Kidz O Education	2	–
Donation to Woman O Hope	3	–
Donation to Esseenpark Dagso	5	–
Donation to Western Cape Dea	5	–
Donation to Rodewal Communit	2	–
Donation to The Solitude's M	3	–

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All Organisations or Persons In Receipt Of Grants Provided By The Municipality	Value 2018/19	Total amount committed over previous and future years
	R'000	
Donation to Breedevalley Com	3	-
Donation to Magnificent Dru	3	-
Donation to The Methodist Ch	2	-
Donation to Bhambizandla Car	2	-
Donation to Bowl Community C	3	-
Donation to Vgk Suide Afrika	3	-
Donation to Rael Worcester	10	-
Donation to Love& Liberty Wo	3	-
Donation to Visionary- Carre	2	-
Donation - Breaking Chains Ministeries	10	-
Donation - Ambassadors for Hope	10	-
Donation - School - Alred Stamper Primary School	10	-
Donation - Acvv Stilwaters Dienssentrum	10	-
Donation - Acvv Nuwerus	10	-
Donation - Acvv Bollieland Crech	10	-
Donation - 1 Luv Foundation	10	-
Donation - Mothers of Many -	10	-
Donation - Kleinbegin Dienssentrum Vir Bejaardes	10	-
Donation - Juweeltjies Playground	10	-
Donation - Institute for The Blind	10	-
Donation - Mothers of Many - Houmoed Gemeenskap Organisasie	10	-
Donation - Hector Childcare Support Centre	10	-
Donation - Feb Disable Care	10	-
Donation - School - Esselen Park Primary School	10	-
Donation - Charles & Catherine Scheepers Edu	10	-
Donation - Breede Valley Association	10	-
Donation - Nuwe Begin Skuiling	10	-
Donation - Chipros - Wonderland Day Centre/ Chipros	10	-
Donation - Woman Of Hope	10	-
Donation - Ubuntu Reconstruction	10	-
Donation - The Grace Trust	10	-
Donation - Sinethemba Trust	10	-

CHAPTER 5: FINANCIAL PERFORMANCE

All Organisations or Persons In Receipt Of Grants Provided By The Municipality	Value 2018/19	Total amount committed over previous and future years
	R'000	
Donation - Pioneer School	10	–
Donation - Rholihlahla Umzanzi	10	–
Donation - Siyahluma Creche 7 After Care	10	–
Church Donation-Outreach Riverview Less Fortunal	10	–
Total	352	–

Table 298: Declaration of loans and grants

COMPONENT D: OTHER FINANCIAL MATTERS

5.14 SCM

The Municipality does have policies and practices that comply with the guidelines set by the SCM Regulations of 2005. The BVM has a fully operational SCM committee system and no councillor is a part of the SCM process or committee system. The Municipality is also focusing on the effective functioning of the SCM officials and enrolled the SCM manager, heads and accountants for the municipal minimum competency training.

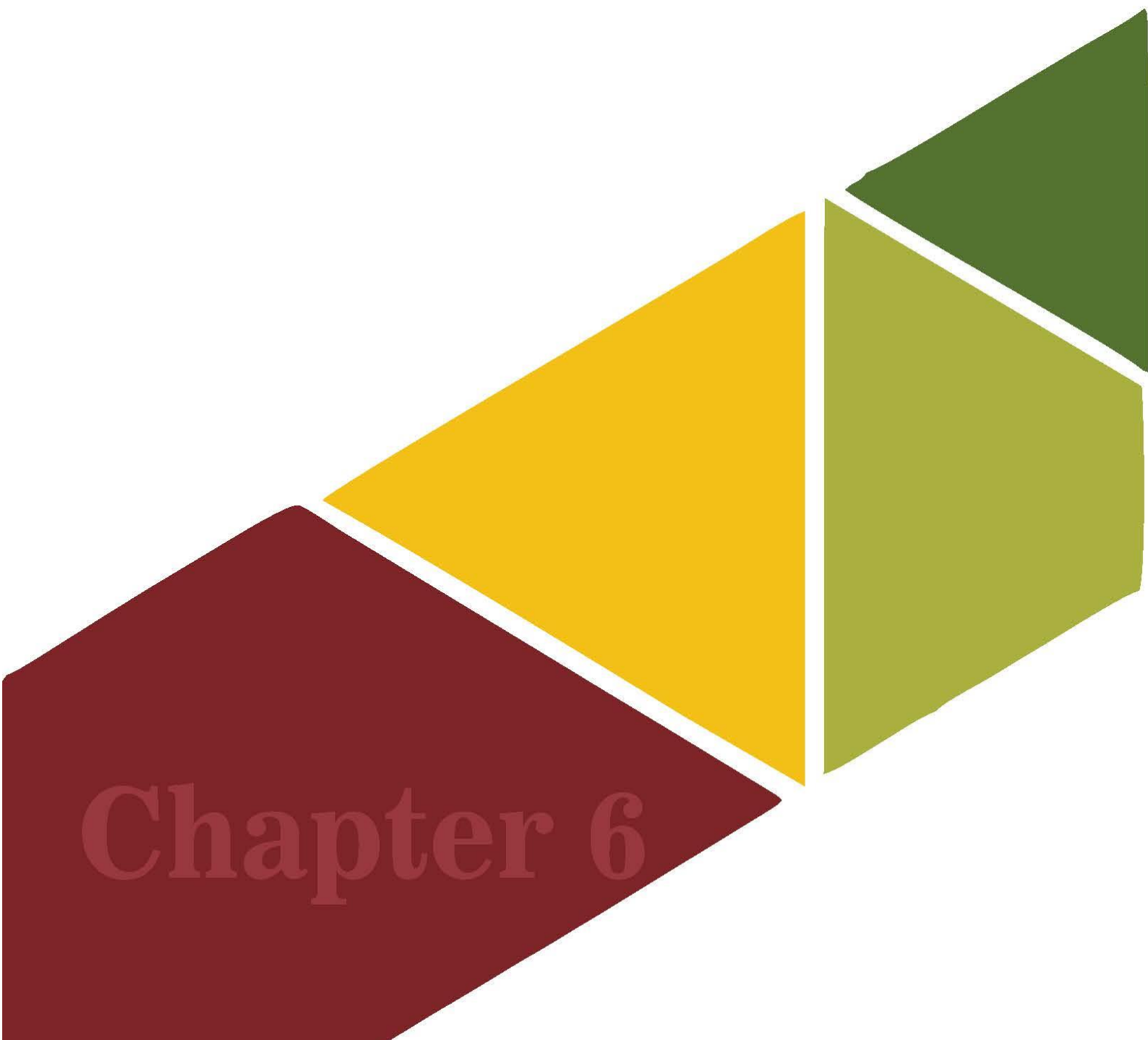
5.15 GRAP COMPLIANCE

BVM comply with the following GRAP statements:

- 🌀 GRAP 1: Presentation of financial statements
- 🌀 GRAP 2: Cash flow statement
- 🌀 GRAP 3: Accounting policies, changes in accounting estimates and errors
- 🌀 GRAP 4: The effects of changes in foreign exchanges rates
- 🌀 GRAP 5: Borrowing costs
- 🌀 GRAP 6: Consolidated and separate financial statements
- 🌀 GRAP 7: Investments in associates
- 🌀 GRAP 8: Interests in joint ventures
- 🌀 GRAP 9: Revenue from exchanges transactions
- 🌀 GRAP 10: Financial reporting in hyperinflationary economies
- 🌀 GRAP 11: Contraction contracts
- 🌀 GRAP 12: Inventories
- 🌀 GRAP 13: Leases
- 🌀 GRAP 14: Events after the reporting date
- 🌀 GRAP 16: Investment property
- 🌀 GRAP 17: Property, plant and equipment
- 🌀 GRAP 19: Provisions, contingent liabilities and contingent assets
- 🌀 GRAP 21: Impairment of Non-Cash Generating Assets
- 🌀 GRAP 23: Revenue from Non-exchange Transactions
- 🌀 GRAP 24: Presentation of Budget Information in the Financial Statements
- 🌀 GRAP 25: Employee Benefits

CHAPTER 5: FINANCIAL PERFORMANCE

- 🌀 GRAP 26: Impairment of Cash Generating Assets
- 🌀 GRAP 27: Agriculture
- 🌀 GRAP 31: Intangible Assets
- 🌀 GRAP 100: Non-current assets held for sale and discontinued operations
- 🌀 GRAP 101: Agriculture
- 🌀 GRAP 102: Intangible assets
- 🌀 GRAP 103: Heritage Assets
- 🌀 GRAP 104: Financial Instruments
- 🌀 IGRAP 1: Applying the Probability Test on Initial Recognition of Revenue



Chapter 6

CHAPTER 6: AUDITOR-GENERAL FINDINGS

COMPONENT A: AUDITOR-GENERAL OPINION 2017/18

The following tables provide the details on the audit outcomes for the past two financial years with the corrective steps implemented:

6.1 AUDITOR-GENERAL REPORT 2017/18

6.1.1 Financial performance 2017/18

Auditor-General Report on Financial Performance 2017/18	
Audit Report Status:	Clean audit
Non-Compliance Issues	Remedial Action Taken
Emphasis of matter:	
Restatement of corresponding figures:	
As disclosed in note 50 to the annual financial statements, the corresponding figures for 30 June 2017 were restated as a result of reclassifications of certain income and expenditure items to conform with the mSCOA chart of accounts	Management reclassified the figures in line with the accounting standards and ensured that a proper basis for accounting has been set
Material losses/Impairments:	
As disclosed in note 36 to the financial statements, material losses to the amount of R96 million (2016-17: R75 million) were incurred as a result of write-off of impairment of trade debtors	Management are continuously strengthening credit control procedures and as a part of that, is in process of handing over all long outstanding debtors to legal firms
Material losses/Impairments:	
As disclosed in the statement of budget comparison the municipality has materially underspent on capital expenditure to the amount of R55,5million (78.4%)	Management are constantly enhancing the control measures regarding the spending of the budget. Control measures includes monthly and quarterly reviews of the budget.

Table 299: AG report on financial performance 2017/18

6.1.2 Service delivery performance for 2017/18

The Auditor-General in its audit report as at 30 June 2018, did not raise any material findings on the usefulness and reliability of the reported performance information for the following strategic objective:

- SO1 – provide, maintain and assure basic services and social upliftment for the Breede Valley community

COMPONENT B: AUDITOR-GENERAL OPINION 2018/19

6.2.1 Financial performance 2018/19

Auditor-General Report on Financial Performance 2018/19	
Audit Report Status:	Unqualified with findings
Non-Compliance Issues	Remedial Action Taken
Emphasis of matter:	
Restatement of corresponding figures:	
Material losses/Impairments:	
As disclosed in note 31 to the financial statements, material losses to the amount of R62.8 million (2017-18: R112.2 million) were incurred as a result of provision for impairment on debtors	Management are continuously strengthening credit control procedures and as a part of that, handed over all long outstanding debtors to legal firms

CHAPTER 6: AUDITOR-GENERAL FINDINGS

Auditor-General Report on Financial Performance 2018/19	
Non-Compliance Issues	Remedial Action Taken
<u>Emphasis of matter:</u>	
<u>Material underspending of the budget</u>	
<p>As disclosed in note 42 of the financial statements, the Municipality is the defendant in a contractual claim. The Municipality is opposing the claim. The ultimate outcome of the matter cannot currently be determined and no provision for any liability that may result has been made in the financial statements</p>	<p>This matter is ongoing. The Municipality are defending this matter in the High Court</p>

Table 300: AG report on financial performance 2018/19

6.2.2 Service delivery performance for 2018/19

The Auditor-General in its audit report as at 30 June 2019, did not raise any material findings on the usefulness and reliability of the reported performance information for the following strategic objectives:

- 🌀 SO1 – assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practises.
- 🌀 SO6 – provide, maintain and assure basic services and social upliftment for the Breede Valley community

ABBREVIATIONS

ABBREVIATIONS

AG	Auditor-General	KPA	Key Performance Area
BVM	Breede Valley Municipality	KPI	Key Performance Indicator
CAPEX	Capital Expenditure	LED	Local Economic Development
CBD	Central Business District	MayCo	Executive Mayoral Committee
CBP	Community Based Planning	MBRR	Municipal Budget and Reporting Regulations
CFO	Chief Financial Officer	MEC	Member of the Executive Committee
CWP	Capital Works Program	MERO	Municipal Economic Review and Outlook
CWDM	Cape Winelands District Municipality	MFMA	Municipal Finance Management Act (Act No. 56 of 2003)
DCAS	Department of Cultural Affairs and Sport	MGRO	Municipal Governance Review Outlook
DoRA	Division of Revenue Act	MIG	Municipal Infrastructure Grant
DPLG	Department of Provincial and Local Government	MM	Municipal Manager
DWAF	Department of Water Affairs and Forestry	MMC	Member of Mayoral Committee
ECD	Early Childhood Development	MPAC	Municipal Public Accounts Committee
EE	Employment Equity	MSA	Municipal Systems Act No. 32 of 2000
EM	Executive Manager	mSCOA	Municipal Standard Chart of Accounts
EPWP	Extended Public Works Programmes	MTECH	Medium Term Expenditure Committee
ERM	Enterprise Risk Management	MTOD	Municipal Transformation and Organisational Development
EXECMAN	Executive Management	NGO	Non-Governmental Organisation
GAMAP	Generally Accepted Municipal Accounting Practice	NT	National Treasury
GDPR	Gross Domestic Product Rate	OPEX	Operating Expenditure
GRAP	Generally Recognised Accounting Practice	PMS	Performance Management System
HOD	Head of Department	PPP	Public Private Partnership
HR	Human Resources	PT	Provincial Treasury
HVWUA	Hex Valley Water Users Association	RBAP	Risk Based Audit Plan
ICT	Information and Communication Technology	RSEP	Regional Socio-Economic Programme
IDP	Integrated Development Plan	SALGA	South African Local Government Association
IFRS	International Financial Reporting Standards	SAMDI	South African Management Development Institute
IGR	Intergovernmental Relations	SAPS	South African Police Services
IMFO	Institute for Municipal Finance Officers	SCM	Supply Chain Management
		SDBIP	Service Delivery and Budget Implementation Plan

ABBREVIATIONS

SDF	Spatial Development Framework	WCDP	Western Cape Department of Planning
SAI	Supreme Audit Institute	WCDLG	Western Cape Department of Local Government
SLA	Service Level Agreement	WWTW	Waste Water Treatment Works
TASK	Tuned assessment of skills and knowledge		

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Annexure A



BREED VALLEY

EFFICIENT • ENVIRONMENTAL • EMPLOYMENT

BREED VALLEY MUNICIPALITY

Annual Financial Statements
for the year ended 30 June 2019



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence
30 November 2019

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

General Information

Legal form of entity	Local Municipality
Nature of business and principal activities	The main business operations of the municipality is to engage in local governance activities, which includes promotion of integrated development planning, land, economic and environmental development and supplying of the following services to the community: Housing services - Supply housing to the community and includes the rental of units owned by the municipality to public and staff; Waste management services - The collection, disposal and purifying of waste, refuse and sewerage; Electricity services - Electricity is bought in bulk from Eskom and distributed to the consumers by the municipality; and Water services - Supplying water to the public.
Mayoral committee for the year ended 30 June 2019	
Executive Major	Antoinette Steyn
Mayoral committee members	J.D Levendal (Deputy Executive Mayor) N.Mercuur (Speaker) S.Goedeman (Chief Whip) R.Farao J. Kritzinger S.J.Mei W.R.Meiring M.Sampson E.Y.Sheldon J.F van Zyl J. Von Willingh
Accounting officer	D. McThomas
Chief Financial Officer (CFO)	R. Ontong
Grading of local authority	Councillors Grade 4 Senior Managers Category 5 Personnel Grade 4
Registered office	Civic Centre Baring Street Worcester 6850
Postal address	Private Bag X3046 Worcester 6849
Bankers	Nedbank Limited
Auditors	Auditor-General of South Africa



BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

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The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

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BREEDE VALLEY MUNICIPALITY

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COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)



BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are responsible for reporting on the fair presentation of the annual financial statements and related financial information.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122 (3) of the Municipal Finance Management Act (Act 56 of 2003).

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

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and places considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2020 and, in the light of this review and the current financial position, he is satisfied that the municipality has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements are prepared on the basis that the municipality is a going concern and that the Breede Valley Municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

Although the Accounting Officer is primarily responsible for the financial affairs of the municipality, he is supported by the municipality's internal auditors.

The annual financial statements set out on pages 6 to 92, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2019.



Accounting Officer
31 August 2019



Report of the Auditor General

To the Provincial Legislature of BREEDE VALLEY MUNICIPALITY



BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Accounting Officer's Report

The accounting officer submits his report for the year ended 30 June 2019.

1. Review of activities

Main business and operations

Breedee Valley Municipality is situated in the Western Cape Province, 120 km north-east of Cape Town. Included in its boundaries are Worcester, Rawsonville, De Doorns and Touwsrivier and surrounding rural areas. It covers 3 833 sq. km and is home to 176 578 people as per the 2016 community survey.

The municipality is set between three mountain ranges, incorporating some of the most valuable and fertile agricultural land in the country. The area is endowed with a diverse cultural history, regional accessibility and unique natural beauty that attract a great number of tourists.

The financial position of the municipality is described to be sound, with an accumulated surplus of R1 933 656 565 (2018:R 1 775 611 348) at year-end.

Net surplus of the municipality was R 158 804 164 (2018: surplus R105 231 281). The overall summarised operating results for the municipality in comparison to the approved budget are shown in the Statement of Financial Performance and also reflects a summary of income and expenditure.

2. Going concern

We draw attention to the fact that at 30 June 2019, the municipality had an accumulated surplus of R 1 933 656 565 and that the municipality's assets exceed its total liabilities by R 1 933 656 565.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The solvency analysis show that assets cover the liabilities by 415.4% (2018 : 373.8%). The coverage indicates that the municipality operates as a going concern.

3. Subsequent events

The accounting officer is not aware of any matter or circumstance arising since the end of the financial year.

4. Accounting policies

The annual financial statements prepared in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury.

5. Borrowing, investments and cash

The accounting officer may after approval of the Council exercise all the powers of the municipality to borrow money, as he considers appropriate needs. Interest-bearing debt did not increase in the year ended 30 June 2019. In the financial year ended 30 June 2019 the municipality redeemed interest-bearing debt of R 9 427 059. The interest paid on borrowings as a percentage of total expenditure is 2.57% (2018: 2.68%).

Investments as at 30 June 2019 amounted to R 15 220 962 (2018: R45 924 809). Investments and cash and cash equivalents decreased from R151 375 547 to R 110 087 802 Additional information regarding cash and cash equivalents, investments and loans are provided in notes 3,9,18 and Appendix A to the financial statements.

6. Capital expenditure

The capital expenditure incurred during the year 2019 amounted to R 266 003 058 (2018: R 201 022 308) that represented 97.48% (2018: 78.35%) of the approved capital budget of R 272 867 659 (2018: R 256 560 008). A complete analysis of capital expenditure (budgeted and actual) per functional area is included in Appendix H (A5), while Appendix B contains detail according to the asset class. More details regarding external loans used to finance fixed assets are shown in Appendix A.

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Accounting Officer's Report

7. Cash flow analysis

Details of major changes in the nature of the municipality during the year were as follows:

Summary of net cash flows	2019	2018
Net cash flow from operating activities	225 963 255	174 668 044
Net cash flow from investing activities	(227 022 374)	(151 180 643)
Net cash flow from financing activities	(9 524 779)	(10 614 813)
Net increase/(decrease) in cash and cash equivalents	(10 583 898)	12 872 588

8. Credit rating

The municipality was rated by Moody's Investor Services during the 2018/19 financial year. Their rating and outlook for the municipality was a Ba2.za rating due to the negative outlook on South African sovereign rating. To monitor our credit rating and capacity for long-term financing we consider various qualitative and quantitative factor. At 30 June 2019 and 30 June 2018 the current ratio was 1.57 and 1.68 respectively. This reflects a decrease in the ratio.

9. Accounting Officer

The accounting officer of the municipality during the year under review of this report is as follows:

Name	Nationality
D. McThomas	South African

10. Auditors

Auditor-General of South Africa will continue in office for the next financial period as per the Public Audit Act.

BREDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Statement of Financial Position as at 30 June 2019

Figures in Rand	Note(s)	2019	2018 Restated*
Assets			
Current Assets			
Cash and cash equivalents	3	94 866 840	105 450 738
Receivables from exchange transactions	4	97 322 163	78 289 157
Receivables from non- exchange transactions	5	33 551 722	43 705 972
Other receivables from exchange transactions	6	4 120 615	25 711 959
Inventories	7	10 425 094	14 955 629
VAT receivable	8	910 722	13 708 021
Short term investments	9	15 220 962	45 924 809
Long term receivables	14	1 762 689	551 437
		258 180 807	328 297 722
Non-Current Assets			
Investment property	10	43 750 400	21 785 500
Property, plant and equipment	11	2 201 900 566	2 028 331 634
Intangible assets	12	4 432 411	4 654 969
Heritage assets	13	36 631 059	36 631 059
Long term receivables	14	1 923 049	4 312 831
		2 288 637 485	2 095 715 993
Total Assets		2 546 818 292	2 424 013 715
Liabilities			
Current Liabilities			
Payables from exchange transactions	15	90 292 740	99 771 225
Consumer deposits	16	4 083 339	3 912 159
Unspent conditional grants and receipts	17	21 301 107	47 472 305
Long term liabilities	18	16 494 542	15 780 598
Employee benefit obligation	19	37 301 739	33 676 948
Provisions	20	1 156 110	1 219 978
		170 629 577	201 833 213
Non-Current Liabilities			
Long term liabilities	18	203 881 100	214 291 004
Employee benefit obligation	19	153 177 927	150 805 101
Provisions	20	85 473 123	81 473 049
		442 532 150	446 569 154
Total Liabilities		613 161 727	648 402 367
Net Assets		1 933 656 565	1 775 611 348
Accumulated surplus		1 933 656 565	1 775 611 348

* See note 50



BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Statement of Financial Performance

Figures in Rand	Note(s)	2019	2018 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	21	564 826 589	508 226 911
Sales of Goods and rendering of services	22	4 403 781	4 225 193
Income from agency services		8 507 083	7 630 035
Licences and permits		2 951 734	3 108 413
Rental income	23	9 989 819	8 284 679
Operational Revenue	24	5 303 208	4 021 130
Finance Income	25	15 687 324	21 187 618
Total revenue from exchange transactions		611 669 538	556 683 979
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	26	135 728 091	125 006 332
Property rates - penalties imposed and collection		1 743 921	1 469 544
Transfer revenue			
Government grants & subsidies	27	298 970 408	261 857 590
Fines, Penalties and Forfeits	28	37 240 287	111 977 583
Total revenue from non-exchange transactions		473 682 707	500 311 049
Total revenue		1 085 352 245	1 056 995 028
Expenditure			
Employee related costs	29	(301 465 140)	(275 383 972)
Remuneration of councillors	30	(17 674 674)	(16 890 840)
Debt impairment	31	(62 895 775)	(112 244 879)
Depreciation and amortisation	32	(87 921 079)	(85 049 396)
Bulk purchases	33	(287 305 195)	(264 821 073)
Finance costs	34	(24 682 411)	(26 038 600)
Inventory consumed		(27 324 255)	(13 188 690)
Contracted services	35	(72 242 862)	(97 997 606)
Grants and subsidies paid	36	(16 316 998)	(12 806 720)
Operating lease		(8 384 618)	(9 354 438)
Operational Costs	37	(52 801 425)	(56 775 897)
Total expenditure		(959 014 432)	(970 552 111)
Gain/(loss) on disposal of assets and liabilities		2 963 506	(95 087)
Fair value adjustments	38	17 105 763	2 413 759
Actuarial gains/(losses)	39	12 369 045	16 629 449
Inventory gains/(losses)		28 037	(159 757)
Total other gains or (losses)		32 466 351	18 788 364
Surplus for the year		158 804 164	105 231 281

* See note 50



BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Balance at 01 July 2017	1 669 153 898	1 669 153 898
Changes in net assets		
Financial assets	1 226 169	1 226 169
Net income (losses) recognised directly in net assets	1 226 169	1 226 169
Surplus for the year *	105 231 281	105 231 281
Total recognised income and expenses for the year	106 457 450	106 457 450
Total changes	106 457 450	106 457 450
Restated* Balance at 01 July 2018	1 775 611 348	1 775 611 348
Changes in net assets		
Financial Assets	(758 947)	(758 947)
Net income (losses) recognised directly in net assets	(758 947)	(758 947)
Surplus for the year	158 804 164	158 804 164
Total recognised income and expenses for the year	158 045 217	158 045 217
Total changes	158 045 217	158 045 217
Balance at 30 June 2019	1 933 656 565	1 933 656 565

* The surplus for the 2017/18 year has been restated. Refer to note 50 for the prior period error corrections.

* See note 50



BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Cash Flow Statement

Figures in Rand	Note(s)	2019	2018 Restated*
Cash flows from operating activities			
Receipts			
Cash flows from services and rate payers		731 516 548	627 313 918
Cash flows from government and other grants		272 768 210	278 966 428
Finance income:investing activities		14 983 477	20 824 529
		<u>1 019 268 235</u>	<u>927 104 875</u>
Payments			
Cash paid to employees		(300 773 154)	(271 648 649)
Cash paid to suppliers		(451 532 417)	(441 942 862)
Finance costs		(24 682 411)	(26 038 600)
Grants paid		(16 316 998)	(12 806 720)
		<u>(793 304 980)</u>	<u>(752 436 831)</u>
Net cash flows from operating activities	40	<u>225 963 255</u>	<u>174 668 044</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(266 205 430)	(199 022 485)
Proceeds from sale of property, plant and equipment		3 734 808	31 101
Purchase of other intangible assets	12	(71 600)	-
Long term receivables		4 816 001	3 735 550
Increase/ decrease in investment		30 703 847	44 075 191
		<u>(227 022 374)</u>	<u>(151 180 643)</u>
Net cash flows from investing activities		<u>(227 022 374)</u>	<u>(151 180 643)</u>
Cash flows from financing activities			
Repayment of long term liabilities		(9 695 960)	(10 846 458)
Movement in consumer deposits		171 180	231 645
		<u>(9 524 780)</u>	<u>(10 614 813)</u>
Net cash flows from financing activities		<u>(9 524 780)</u>	<u>(10 614 813)</u>
Net increase/(decrease) in cash and cash equivalents		<u>(10 583 899)</u>	<u>12 872 588</u>
Cash and cash equivalents at the beginning of the year		105 450 738	92 578 150
Cash and cash equivalents at the end of the year	3	<u>94 866 839</u>	<u>105 450 738</u>

* See note 50



BREED VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2019
STATEMENT OF BUDGET COMPARISON
WC025 Breede Valley - Reconciliation of Table A1 Budget Summary

Description	2018/19						2017/18				
	Original Budget	Budget Adjustments (i.e. MFMA s28)	Adjustment Budget 26 February 2019	Approved Virements (Virement Policy 2018/2019)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Revised Audited Outcome
R. thousands	1	2	3	4	5	6	7	8	9	10	14
Financial Performance											
Property rates	145 763	(11 679)	134 074	-	134 074	137 472		3 398	102,5%	94,3%	126 476
Service charges	578 888	(3 925)	574 963	-	574 963	564 827		(10 137)	98,2%	97,6%	508 227
Investment revenue	13 074	(1 849)	11 225	-	11 225	11 233		7	100,1%	85,9%	16 556
Transfers recognised - operational	146 455	(1 822)	144 634	(0)	144 634	133 233		(11 401)	92,1%	91,0%	130 203
Other own revenue	109 959	46 084	156 044	0	156 044	93 029		(63 015)	59,6%	84,6%	146 197
Total Revenue (excluding capital transfers and contributions)	994 129	26 811	1 020 940	-	1 020 940	939 793		(81 147)	92,1%	94,5%	927 669
Employee costs	310 637	(28 617)	282 019	(2 900)	279 119	278 623		(496)	99,8%	89,7%	252 675
Remuneration of councillors	18 129	-	18 129	-	18 129	17 675		(454)	97,5%	97,5%	16 991
Depreciation & asset impairment	86 305	-	86 305	-	86 305	87 921		1 616	101,9%	101,9%	85 049
Finance charges	24 505	-	24 505	-	24 505	24 682		177	100,7%	100,7%	26 039
Materials and bulk purchases	293 504	14 746	308 250	10 311	318 562	314 601		(3 960)	98,8%	107,2%	278 170
Transfers and grants	21 598	(1 940)	19 658	(1 483)	18 176	16 317		(1 859)	89,8%	75,5%	12 807
Other expenditure	256 699	13 432	270 101	(6 343)	263 758	206 907		(56 851)	78,4%	80,6%	282 482
Total Expenditure	1 011 348	(2 379)	1 008 968	(414)	1 008 554	946 727		(61 827)	93,9%	93,6%	954 082
Surplus/(Deficit)	(17 218)	29 190	11 972	414	12 386	(6 934)		(19 319)	-56,0%	40,3%	(26 423)
Transfers recognised - capital	141 090	14 907	155 997	-	155 997	165 738		9 741	106,2%	117,5%	131 654
Contributions recognised - capital & contributed assets	-	500	500	-	500	-		(500)	-	-	-
Surplus/(Deficit) after capital transfers & contributions	123 872	44 597	168 468	414	168 882	158 804		(10 078)	94,0%	128,2%	105 231
Share of surplus/ (deficit) of associate	-	-	-	-	-	-		-	-	-	-
Surplus/(Deficit) for the year	123 872	44 597	168 468	414	168 882	158 804		(10 078)	94,0%	128,2%	105 231
Capital expenditure & funds sources											
Capital expenditure	141 240	15 671	156 911	-	156 911	165 738		8 827	106,6%	117,3%	129 812
Transfers recognised - capital	-	-	-	-	-	-		-	-	#DIV/0!	1 667
Public contributions & donations	-	6 443	6 443	-	6 443	6 281		(162)	97,5%	110,0%	21 325
Borrowing	85 427	24 087	109 514	-	109 514	93 984		(15 530)	85,8%	110,0%	48 219
Internally generated funds	226 667	46 200	272 868	-	272 868	266 003		(6 865)	97,5%	117,4%	201 022
Total sources of capital funds											
Cash flows											
Net cash from (used) operating	202 709	37 549	240 258	-	240 258	225 963		(14 294)	94,1%	111,5%	174 668
Net cash from (used) investing	(226 617)	(45 786)	(272 404)	-	(272 404)	(227 023)		45 381	83,3%	100,2%	(151 181)
Net cash from (used) financing	(7 785)	-	(7 785)	-	(7 785)	(9 525)		(1 740)	122,3%	122,3%	(10 615)
Cash/cash equivalents at the year end	128 337	(17 817)	110 520	414	110 934	94 867		(15 653)	85,8%	73,9%	105 451



Statement of Budget Comparison

Material Variance Explanations 30 June 2019

Description	Final Budget 30 June 2019	Revenue/ Expenditure 30 June 2019	% Variance/ Variances greater than R50 000 (under)/over	Reasons for Material Deviations	Impact on Service Delivery
Revenue By Source					
Transfers recognised - operational	144 633 642	133 232 543	-8	Underspending on provincial housing grant expenditure	Negative
Transfers recognised - capital	156 496 715	165 737 865	6	Project administered by Dept Housing and due to their 1 st in Year end being 3 Month before that of Municipalities there will tend to be differences in the spending and the budget	Positive
Other own revenue	156 043 519	93 029 013	-40	Decrease in traffic fines.Service Provider(TMT) for issuing traffic fines only appointed for two months in Financial Year.	Negative
Expenditure By Type					
Transfers and grants	18 175 583	16 316 998	-10	Under spending on provincial housing grant expenditure.	None
Other expenditure	263 758 220	206 907 402	-22	The provision for Bad Debts: Traffic Fines was reduced as a result of fewer outstanding traffic fine debtors.	None
Capital Expenditure					
Technical Services					
Stettynskloof Water Supply (Worcester/Rawsonville)					
Upgrading of Stettynskloof Supply Pipe Line - Phase 3 (MIG 164422)	396 860	200 000,00	(196 860)	Savings - Work is completed	None
Rawsonville WwTW					
Extension of Rawsonville WwTW (0,24 Ml/day)	200 000		(200 000)	Multi year project - budget on the 2019/20 year to finalise the project.	None
Klipvlakte/ Transhex Residential Development (13 000 erven)					
Bulk Electrical: Worcester Transhex 7300	13 300 000	3 557 542,25	(9 742 458)	Delay in excess to sites due to Civil contractor's work	None
Reservoirs					
Lanjenig Reservoir	25 170 144	25 087 977,37	(82 167)	Small delay due to unforeseen circumstances	None
Reservoir, supply pipeline and augmentation of pumpstation (MIG Counter funding)	2 536 777	1 014 742,96	(1 522 034)	Ongoing and depending on weather conditions	None
Transhex Sewer Pumpstation and rising main					
Sewer pumpstation and rising main (MIG Conter funding)	23 357 688	22 582 964,00	(774 724)	Project Completed -Saving	None
Resealling of Municipal Roads - Worcester					
	15 607 237	13 372 702,16	(2 234 535)	Ongoing and depending on weather conditions	None
Electricity (8112)					
Durban street - Replace overhead network to underground network complete.	2 000 000	1 251 273,15	(748 727)	Delay in tender process for cable supply to the stores	None
Escape stairs and blinding at electrical new offices	180 000	18 207,00	(161 793)	Original estimates to low resulting in higher cost hence a new tender process	
Ward 3					
Replace 11 Kv cable from Rumosa to Voortrekkerweg (1 500 m @ 185 mm Al PILC)	2 937 793	984 838,98	(1 952 954)	Multi year cable connections been done, WIP	None
De Doorns: New High Mast Lighting (MIG Form ID 153221)	842 812		(842 812)	Savings on project	None
Ward 6					
Replace 11 Kv cable from Mc Allister to Field Sub (1 600 m @ 185 mm Al PILC)	4 730 289	245 997,60	(4 484 301)	Delay in tender process and specifications	None
Erosion Protection of Hax River : (EIA)					
SERVICE CONNECTIONS (Depending on Public Contr)					
Sewer Connections	139 400		(139 400)	Expenditures are dependent on public demands	None
Electricity Connections	615 700	398 826,85	(216 873)	Expenditures are dependent on public demands	None
Water Connections	227 500		(227 500)	Expenditures are dependent on public demands	None
Electricity Network Extensions (Depending on Public Contr)					
	1 215 000	518 945,87	(696 054)	Expenditures are dependent on public demands	None
Vehicle Replacement					
Tractors (x2) replacement Parks	800 000		(800 000)	Tenders were non responsive and the process were redone.	None
Municipal Manager					
Admin -0603					
MM - Furniture and Equipment	5 000	4 200,00	(800)	Savings on the furniture and equipment	None
Project Management -0615					
MM PM: Construction of pedestrian bridge over Donkies River in Tounsvivier	764 000	501 607,96	(262 392)	Tender delayed due to tender dispute	None



BREDE VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2019
Statement of Budget Comparison

Material Variance Explanations 30 June 2019

Description	Final Budget 30 June 2019	Revenue/ Expenditure 30 June 2019	% Variance/ Variances greater than R50 000 (under)/over	Reasons for Material Deviations	Impact on Service Delivery
MM PM: Shared Economic Instr Facility for inf traders in Zwelethamba	3 270 080	2 698 312,13	(571 768)	Original estimates to low resulting in higher cost hence a new tender process	None
MM PM: Sewer connection for Riverview neighbourhood centre	170 000	38 180,00	(131 820)	Original estimates to low resulting in higher cost hence a new tender process	None
Community Services					
HOUSING					
Touws River (200) IRDP					
Stormwater					
Stormwater	525 000		(525 000)		
Roads	525 000		(525 000)	*Touwsriver is still a the planning stage and ongoing,the EIA and planning is ongoing normally it take longer than one financial year.*	None
Sewer Reticulation	525 000		(525 000)		
Water Reticulation	525 000		(525 000)		
Zwelethamba 2000 UISP					
Stormwater	450 000	69 300,00	(380 700)		
Roads	450 000		(450 000)	Feasibility study in progress - outcome will give the indication for future planning	None
Sewer Reticulation	450 000		(450 000)		
Water Reticulation	450 000		(450 000)		
Unallocated DoRA projects - TRANSHEX					
Transhex - Stormwater	17 500 000	24 146 467,09	6 646 467	Project administrated by Dept Housing and due to their Fin Year end being 3 Month before that of Municipalities there will tend to be differences in the spending and the budget	None
Transhex - Roads	17 500 000	24 146 467,09	6 646 467		
Transhex - Sewer Reticulation	17 500 000	24 146 467,09	6 646 467		
Transhex - Water Reticulation	17 500 000	24 146 467,58	6 646 468		
Worcester Fisher Street Portion of ERF 1-10253 (307) IRDP					
Stormwater - Fisher Street	95 000		(95 000)	Funding constraint - Funds shifted to the 2021/22 financial year - funding committed for the Transhex project	None
Roads - Fisher Street	95 000		(95 000)		
Sewer Reticulation - Fisher Street	95 000		(95 000)		
Water Reticulation - Fisher Street	95 000		(95 000)		
Avian Park Albatros street Remainder of ERF 1 (500) IRDP					
Stormwater - Avian Park Albatros street	250 000		(250 000)	Funding constraint - Funds shift to the 2021/22 financial year - funding committed for the Transhex project	None
Roads - Avian Park Albatros street	250 000		(250 000)		
Sewer Reticulation - Avian Park Albatros street	250 000		(250 000)		
Water Reticulation - Avian Park Albatros street	250 000		(250 000)		
WATERLOO LIBRARY - 4506					
Waterloo: Upgrade library	1 500 000	1 199 895,20	(300 105)	Slow progress of contractor resulted in delays	None
FIRE DEPARTMENT: ADMIN - 4203					
Fire: Vehicles (Donated Assets)	500 000	31 000,00	(469 000)	Impossible to determine the precise donations that will be received.	None
FINANCIAL SERVICES					
Financial Planning					
FS FP: Safeguarding of Assets	900 000	657 153,67	(242 846)	Tender for Elec substation alarms not completed in time	High. Safety of substations at risk
FS FP: Insurance claims	400 000	83 504,59	(316 495)	Expenditure only incurs when Insurance claim occurs	None
STRATEGIC SUPPORT SERVICES					
INFORMATION TECHNOLOGY - 2114					
Wi-Fi Access Points	750 000		(750 000)	Forced changes in the specification required -revised tender process	None
Airconditioner	150 000		(150 000)	Contractor did not perform to the satisfactory of the user department and completion was only done in new year hence the over rolling of the budget	None



Statement of Budget Comparison

Material Variance Explanations 30 June 2019

Description	Final Budget 30 June 2019	Revenue/ Expenditure 30 June 2019	% Variance/ Variances greater than R50 000 (under)/over	Reasons for Material Deviations	Impact on Service Delivery
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Virements to Final Adjustment Budget (Reconciliation of Budget Summary)

Revenue By Source

Transfers recognised - operational	Changes between the Final Budgeted amounts and the Approved Adjustment Budget of 26 February 2019: Virements was approved by the Municipal Manager and/or the Chief Financial Officer, and it was done in line with the Approved Budget Virement Policy of 2018/2019
Other own revenue	

Expenditure by type

Employee costs	Changes between the Final Budgeted amounts and the Approved Adjustment Budget of 26 February 2019: Virements was approved by the Municipal Manager and/or the Chief Financial Officer, and it was done in line with the Approved Budget Virement Policy of 2018/2019
Finance charges	
Materials and bulk purchases	
Transfers and grants	
Other expenditure	

Cash Flow

Cash/ Cash Equivalents at the year end.	Changes between the Final Budgeted amounts and the Approved Adjustment Budget of 26 February 2019: Virements was approved by the Municipal Manager and/or the Chief Financial Officer, and it was done in line with the Approved Budget Virement Policy of 2018/2019
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BREDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand. All figures are rounded to the nearest Rand.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

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

The accounting policies applied are consistent with those used to present the previous year's financial statements.

The financial statements have been prepared on a going concern basis.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.2 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Receivables

The municipality assesses its receivables for impairment at the end of each reporting period. The calculation of the impairment of trade receivables is based on a payment percentage assessment of the individual debtors of the municipality. If an individual debtor has a payment percentage of more than 80%, impairment is not considered. In instances where the payment percentage is less than 80% the individual debtor is impaired based on the actual non-payment percentage of the outstanding debt.

Allowance for slow moving, damaged and obsolete inventory

An assessment is made of net realisable value at the end of each reporting period. An allowance are made to write inventory down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell of certain inventory items. The write down is included in the surplus.

Fair value estimation

The carrying value less impairment provision of receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the municipality for similar financial instruments.

The fair value of long-term receivables is estimated by discounting the future contracted cash flows at the prime interest rate.

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

Value in use of cash generating assets

Cash generating assets are assets held with the primary objective of generating a commercial return.

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including economic factors such as inflation and interest.

Non-cash generating assets are assets other than cash generating assets

The municipality reviews and tests the carrying value of non-cash generating assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and the nature of the impairment.

Provisions

Provisions were raised and management determined an estimate based on the following information:

Professional engineers were utilised to determine the cost of rehabilitation of landfill sites, as well as the remaining useful life of each Landfill site. Additional disclosure of these estimates of provisions are included in note 20 - Provisions.

Useful lives of Property, Plant and Equipment and Other Assets

The municipality's management determines the estimated useful lives and related depreciation charges for property, plant and equipment and other assets. This estimate is based on industry norm and on the pattern in which an asset's future economic benefits or service potential is expected to be consumed by the municipality.

At the end of each reporting period the municipality assesses whether there is any indication that the municipality's expectations about the residual value and the useful life of Property, Plant and Equipment has changed since the preceding reporting period. If any such indication exists, the municipality revises the useful life and/or the residual value. These changes are accounted for as a change in accounting estimate and are disclosed in the notes to the financial statements relating to the change in estimates in terms of the Standard of GRAP on accounting policies, changes in estimates and errors.

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Post-retirement benefits and other long-term benefits

The present value of the post retirement obligation and other long-term employee obligations is actuarially determined by independent qualified actuaries on an annual basis. The present value depends on a number of factors, including but not limited to discount rates, expected rate of return on assets, future salary increases, mortality rates and future pension increases, that are determined on an actuarial basis. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the obligations. In determining the appropriate discount rate, the municipality considers market yields at the reporting date on government bonds. Where there is no deep market in government bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments, the municipality uses current market rates of the appropriate term to discount shorter term payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve.

Other key assumptions for post-retirement and other long-term employee obligations are based on current market conditions. Additional information is disclosed in note 19.

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 are valued by independent qualified actuaries on an annual basis and the corresponding liability is raised. Payments are set off against the liability, including notional interest, resulting from the actuarial valuation and are recognized in the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the adjustments and changes in actuarial assumptions is recognized in the Statement of Financial Performance in the period that it occurs.

Staff Leave Accrual

The Municipality provides for annual leave as they accrue to employees. The liability is based on the total amount of leave days accrued to employees at year end and the total remuneration package of the employee.

Accumulating leave is carried forward and can be used in future periods if the current year's entitlement is not used in full. The provision will be realized as employees take leave or when employment is terminated, whereupon the leave accrued to the employee that has not been used, is paid out.

Performance Bonus Accrual

The Municipality recognizes a provision relating to the anticipated costs of performance bonuses payable to Section 57 employees, as the costs accrue to the specific employees. Municipal bonus provisions are based on the employment contract stipulations and previous performance bonus trends.

13th Cheque Accrual

The Municipality recognizes a provision relating to the anticipated costs of 13th Cheques as they accrue to employees. The liability at year end is based on the bonus accrued to each employee at yearend.

Effective Interest Rate

The municipality used the prime rate to discount future cash flows.

Allowance for impairment

On receivables an impairment loss is recognized in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the receivables carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Accounting Policies

1.3 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services; or for
- administrative purposes; or
- sale in the ordinary course of operations.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that is 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 recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Subsequent to initial measurement investment property is measured at fair value.

Fair value

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

If the entity determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably measurable when construction is complete, it measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). If the entity determines that the fair value of an investment property (other than an investment property under construction) is not reliably determinable on a continuing basis, the entity measures that investment property using the cost model (as per the accounting policy on Property, plant and equipment). The residual value of the investment property is then assumed to be zero. The entity applies the cost model (as per the accounting policy on Property, plant and equipment) until disposal of the investment property.

Once the entity becomes able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, it measures that property at its fair value. Once construction of that property is complete, it is presumed that fair value can be measured reliably. If this is not the case, the property is accounted for using the cost model in accordance with the accounting policy on Property, plant and equipment.

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 the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable

The municipality separately discloses expenditure to repair and maintain investment property in the notes to the annual financial statements (See Note 10)

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Accounting Policies

1.4 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure 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 period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- 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.

Property, plant and equipment are initially measured at cost.

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 management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

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.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the municipality is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Subsequent to initial measurement property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land		Indefinite
Buildings	Straight line	
• Buildings		10 - 100 years
• Recreational facilities		15 - 100 years
Infrastructure	Straight line	
• Cemeteries		25 - 60 years
• Electricity		5 - 25 years
• Housing		20 - 100 years
• Landfill sites		1 - 55 years

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Accounting Policies

1.4 Property, plant and equipment (continued)

• Pedestrian Malls		20 years
• Roads and paving		50 - 80 years
• Security		3 - 25 years
• Sewerage		15 - 75 years
• Water		15 - 100 years
Other property, plant and equipment	Straight line	
• Furniture and fixtures		2 - 20 years
• Special property, plant and equipment		5 - 20 years
• Specialist vehicles		5 - 30 years
• Other equipment		5 - 20 years
• Other vehicles		5 - 30 years

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the municipality to amend the previous estimate unless expectations differ from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

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

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Compensation from third parties for an item of property, plant and equipment that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the annual financial statements (see note 11).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements. See Note 11.

1.5 Site restoration and dismantling cost

The municipality has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities'. The cost of an item of property, plant and equipment includes

- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located;
- changes in the measurement of an existing decommissioning, restoration and similar liability that result from change in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in discount rate; and
- the obligation the municipality incurs for having used the items during a particular period for purposes other than to produce inventories during that period.

The related asset is measured using the cost model:

- (a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period;
- (b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and
- (c) if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of cash-generating assets and/or impairment of non-cash-generating assets.

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Accounting Policies

1.6 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from the municipality and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the municipality intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised 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 measured at cost.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale;
- there is an intention to complete and use or sell it;
- there is an ability to use or sell it;
- it will generate probable future economic benefits or service potential;
- there are available technical, financial and other resources to complete the development and to use or sell the asset; and
- the expenditure attributable to the asset during its development can be measured reliably.

Subsequent to initial measurement Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Right to access of water	99 years
Computer software, other	3-5 years

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Accounting Policies

1.6 Intangible assets (continued)

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible assets is the difference between the net disposal proceeds and the carrying amount and is included in surplus or deficit when the asset is derecognised.

1.7 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

Where the municipality holds a heritage asset, but on initial recognition it does not meet the recognition criteria because it cannot be reliably measured, information on such a heritage asset is disclosed in note 13.

Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Subsequent measurement

Subsequent to initial measurement classes of heritage assets are carried at cost less any accumulated impairment losses.

Impairment

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

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

Derecognition

The municipality derecognises heritage assets on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is the difference between the net disposal proceeds and the carrying amount and is included in surplus or deficit when the item is derecognised.

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Accounting Policies

1.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

Classification

The municipality has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Long term receivables	Financial asset measured at amortised cost
Short term receivables	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost
Other receivables from exchange transactions	Financial asset measured at amortised cost

The municipality has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Long term liabilities	Financial liability measured at amortised cost
Payables from exchange transactions	Financial liability measured at amortised cost
Consumer deposits	Financial liability measured at amortised cost
Unspent Conditional grants	Financial liability measured at amortised cost

Initial recognition

The municipality recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The municipality recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The municipality measures a financial asset and financial liability initially at its fair value plus, in the case of a financial asset or a liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability

The municipality first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the municipality analyses a concessionary loan into its component parts and accounts for each component separately. The municipality accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

Subsequent measurement of financial assets and financial liabilities

The municipality measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.



BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Accounting Policies

1.8 Financial instruments (continued)

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the municipality establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the municipality uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, the municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

Short-term receivables and payables are not discounted where the initial credit period granted or received is consistent with terms used in the public sector, either through established practices or legislation.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

The municipality assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

For amounts due to the municipality, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment.

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 (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

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 loss is reversed by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Where financial assets are impaired through the use of an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. When such financial assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

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 are not reversed.

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1.8 Financial instruments (continued)

Derecognition

Financial assets

The municipality derecognises financial assets using trade date accounting.

The municipality derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the municipality, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality:
 - derecognises the asset; and
 - recognises separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Financial liabilities

The municipality removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expired or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a 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, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

1.9 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.

When a lease includes both land and buildings elements, the municipality assesses the classification of each element separately.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term. The difference between the amounts recognised as revenue and the contractual payments are recognised as an operating lease asset or liability

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in the statement of financial performance.

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Accounting Policies

1.9 Leases (continued)

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Any contingent rent is expensed in the period in which they are incurred.

1.10 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for:

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

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 incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, 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 expenses are recognised when the goods are distributed, or related services are rendered.

The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are 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, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.11 Value-added Tax (VAT)

The municipality is registered with the South African Revenue Services (SARS) for VAT on the payments basis, in accordance with Section 15(2) of the VAT Act (Act No. 89 of 1991).

1.12 Impairment of cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

Include the criteria how Breede distinguish between cash-generating assets from non-cash generating assets. This is a specific GRAP requirement. In the FAQ's there is a list of possible criterias

BREED VALLEY MUNICIPALITY

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Accounting Policies

1.12 Impairment of cash-generating assets (continued)

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

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

BREED VALLEY MUNICIPALITY

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Accounting Policies

1.12 Impairment of cash-generating assets (continued)

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality uses management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the municipality does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

BREED VALLEY MUNICIPALITY

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Accounting Policies

1.12 Impairment of cash-generating assets (continued)

Reversal of impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. 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 (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

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

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

1.13 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also tests non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset is initially recognised during the current reporting period, that intangible asset is tested for impairment before the end of the current reporting period.



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Accounting Policies

1.13 Impairment of non-cash-generating assets (continued)

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

Include the criteria how non-cash generating assets are distinguish. This is a specific GRAP requirement

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

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

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 a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. 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 (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

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

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

BREDE VALLEY MUNICIPALITY

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Accounting Policies

1.14 Provisions and Contingencies

Provisions are recognised when:

the municipality has a present obligation as a result of a past event;

it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability

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, and only 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 does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus.

If the municipality has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when the municipality:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of a activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- 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.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality.

A contingent asset is a possible asset 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 is an:

- 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; or
- present obligation that arises from past events but is not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation;
 - the amount of the obligation cannot be measured with sufficient reliability.

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Accounting Policies

1.14 Provisions and Contingencies (continued)

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 42.

Decommissioning, restoration and similar liability

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in the discount rate, are accounted for as follows:

The related asset is measured using the cost model:

- changes in the liability are added to, or deducted from, the cost of the related asset in the current period;
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and
- if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the municipality tests the asset for impairment by estimating its recoverable amount or recoverable service amount, and account for any impairment loss, in accordance with the accounting policy on impairment of assets as described in accounting policy 1.12 and 1.13.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability are recognised in surplus or deficit as they occur.

The periodic unwinding of the discount is recognised in surplus or deficit as a finance cost as it occurs.

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Accounting Policies

1.15 Employee benefits

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered a service to the municipality during a reporting period, the municipality recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the municipality recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The municipality measures the expected cost of accumulating compensated absences as the additional amount that the municipality expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The municipality recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the municipality has no realistic alternative but to make the payments.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which the entity provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

Multi-employer plans and/or State plans and/or Composite social security programmes

The municipality classifies a multi-employer plan and/or state plans and/or composite social security programmes as a defined contribution plan or a defined benefit plan under the terms of the plan (including any constructive obligation that goes beyond the formal terms).

Where a plan is a defined contribution plan, the municipality accounts for it in the same way as for any other defined contribution plan.

Where a plan is a defined benefit plan, the municipality accounts for its proportionate share of the defined benefit obligation, plan assets and cost associated with the plan in the same way as for any other defined benefit plan.

When sufficient information is not available to use defined benefit accounting for a plan, that is a defined benefit plan, the municipality accounts for the plan as if it was a defined contribution plan.

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1.15 Employee benefits (continued)

Post-employment benefits: Defined contribution plans

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.

When an employee has rendered services to the municipality during a reporting period, the municipality recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, the municipality recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money are consistent with the currency and estimated term of the obligation.

Post-employment benefits: Defined benefit plans

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

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the municipality recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the municipality recognises past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise of assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- 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 requirement.

The amount determined as a defined benefit liability may be negative (an asset). The entity measures the resulting asset at the lower of:

- the amount determined above; and

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Accounting Policies

1.15 Employee benefits (continued)

- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The municipality determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The municipality recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The municipality uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, the municipality attributes benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, the municipality attributes benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The municipality recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the municipality re-measures the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The municipality offsets an asset relating to one plan against a liability relating to another plan when the municipality has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

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1.15 Employee benefits (continued)

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

Other long-term employee benefits

The municipality has an obligation to provide long-term service allowance benefits to all of its employees.

The municipality's liability is based on an actuarial valuation. The Projected Unit Credit Method is used to value the liabilities. Actuarial gains and losses on the long-term service awards are recognised in the statement of financial performance.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- 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.

The municipality recognises the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses;
- past service cost; and
- the effect of any curtailments or settlements.

Termination benefits

The municipality recognises termination benefits as a liability and an expense when the municipality is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The municipality is demonstrably committed to a termination when the municipality has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes (as a minimum):

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than twelve months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer.

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Accounting Policies

1.16 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount (for purposes of the Standard of GRAP on Statutory Receivables) means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the accounting policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the accounting policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the accounting policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the municipality and the transaction amount can be measured reliably.

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

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 changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Accrued interest

Where the municipality levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the accounting policy on Revenue from exchange transactions or the accounting policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

Other charges

Where the municipality is required or entitled to levy additional charges in terms of legislation, supporting regulations, by-laws or similar means on overdue or unpaid amounts, these charges are accounted for in terms of the municipality's accounting policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (taxes and transfers).

Impairment losses

The municipality assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the municipality considers, as a minimum, the following indicators:

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Accounting Policies

1.16 Statutory receivables (continued)

- significant financial difficulty of the receivable, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- it is probable that the receivable will enter sequestration, liquidation or other financial re-organisation.
- a breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, 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, or group of statutory receivables, is reduced through the use of an allowance account. The amount of the losses are recognised in surplus or deficit.

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 adjustment does not result in the carrying amount of the statutory receivable, or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

The municipality derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality:
 - derecognises the receivable; and
 - recognises separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The municipality considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.17 Revenue from exchange transactions

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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Accounting Policies

1.17 Revenue from exchange transactions (continued)

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by surveys of work performed.

Interest, royalties and dividends

Revenue arising from the use by others of municipal assets yielding interest, royalties and dividends or similar distributions is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Dividends or similar distributions are recognised, in surplus or deficit, when the municipality's right to receive payment has been established.

1.18 Revenue from non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Accounting Policies

1.18 Revenue from non-exchange transactions (continued)

Property rates

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Resources arising from taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources.

Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured. The degree of probability attached to the inflow of resources is determined on the basis of evidence available at the time of initial recognition, which includes, but is not limited to, disclosure of the taxable event by the taxpayer.

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

The taxable event for property tax is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Taxation revenue is determined at a gross amount. It is not reduced for expenses paid through the tax system.

Transfers

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Debt forgiveness and assumption of liabilities

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 debt forgiven.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

The municipality makes use of estimates to determine the amount of revenue that it is entitled to collect. Where settlement discounts or reductions in the amount payable are offered, the municipality considers past history in assessing the likelihood of these discounts or reductions being taken up by receivables.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting municipality.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in-kind, are recognised as assets and 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.

Services in-kind

Services in-kind that are significant to the municipality's operations and/or service delivery objectives are recognised as assets and 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.

Where services in-kind are not significant to the municipality's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the municipality discloses the nature and type of services in-kind received during the reporting period.

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Accounting Policies

1.18 Revenue from non-exchange transactions (continued)

Concessionary loans received

A concessionary loan is a loan granted to or received by the municipality on terms that are not market related.

The portion of the loan that is repayable, along with any interest payments, is an exchange transaction and is accounted for in accordance with the Standard of GRAP on Financial Instruments. The off-market portion of the loan is a non-exchange transaction. The off-market portion of the loan that is recognised as non-exchange revenue 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.

The recognition of revenue is determined by the nature of any conditions that exist in the loan agreement that may give rise to a liability. Where a liability exists the municipality recognises revenue as and when it satisfies the conditions of the loan agreement.

1.19 Borrowing costs

Borrowing costs are interest and other expenses incurred by the municipality in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.20 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.21 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.22 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), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure.

All expenditure relating to irregular expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.23 Accumulated surplus

The accumulated surplus represents the net difference between the total assets and the total liabilities of the municipality. Any surpluses and deficits realised during a specific financial year are credited/debited against accumulated surplus/deficit. Prior year adjustments, relating to income and expenditure, are debited/credited against accumulated surplus when retrospective adjustments are made.

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Accounting Policies

1.24 Commitments

Items are classified as commitments when the municipality has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation are disclosed in a note to the financial statements, if both the following criteria are met:

- contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- contracts should relate to something other than the routine, steady, state business of the municipality – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.25 Grant in aid

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

- receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

These transfers are recognised in the statement of financial performance as expenses in the period that the events given raise to the transfer occurred.

1.26 Budget information

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 01 July 2017 to 30 June 2018.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.27 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.

Management are 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.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.



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Accounting Policies

1.28 Events after reporting date

Events after 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:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality adjusts the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality discloses the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.29 Share capital / contributed capital

An equity instrument is any contract that evidences a residual interest in the assets of the municipality after deducting all of its liabilities.

1.30 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. Refer to note 50 for detail.

1.31 Reclassifications

Reclassification of certain accounts were made in order to comply with the requirements of Municipal Standard Chart of Accounts (MSCOA). The reclassifications have no impact on the net asset value of the municipality.

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. Refer to note 50.



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SOUTH AFRICA

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Notes to the Annual Financial Statements

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

No new standards and interpretations became effective during the current year. The municipality also did not early adopt any standards and interpretations that were issued but not yet effective.

2.2 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2018 or later periods:

Guideline: Accounting for Arrangements Undertaken i.t.o the National Housing Programme

The objective of this guideline: Entities in the public sector are frequently involved in the construction of houses as part of government's housing policy, implemented through the national housing programme, which is aimed at developing sustainable human settlements. The Housing Act, Act No. 107 of 1997 provides information about the housing programmes that fall within the scope of the national housing programme. Concerns were raised by preparers about the inconsistent accounting applied to housing arrangements undertaken by entities under the national housing programme. Different accounting may be appropriate where there are differences between the terms and conditions of arrangements concluded by entities. However, under housing arrangements that are undertaken in terms of the national housing programme, there are common features and issues that need to be considered. As a result, the Board agreed to develop high-level guidance for arrangements undertaken in terms of the national housing programme.

It covers: Background to arrangements undertaken in terms of the national housing programme, Transactions that affect the accounting of housing arrangements, Consider whether the municipality undertakes transactions with third parties on behalf of another party, Accounting by municipalities appointed as project manager, Disclosure requirements, Accounting by municipalities appointed as project developer, Accounting for the accreditation fee, commission, administration or transaction fee received, Land and infrastructure, Conclusion and Application of this Guideline to existing arrangements.

The effective date of the guideline is for years beginning on or after 01 April 2019.

The municipality expects to adopt the guideline for the first time in the 2019/2020 annual financial statements.

GRAP 20: Related parties

The objective of this standard is to ensure that a reporting entity's annual financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

An entity that prepares and presents financial statements under the accrual basis of accounting (in this standard referred to as the reporting entity) shall apply this standard in:

- identifying related party relationships and transactions;
- identifying outstanding balances, including commitments, between an entity and its related parties;
- identifying the circumstances in which disclosure of the items in (a) and (b) is required; and
- determining the disclosures to be made about those items.

This standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of the reporting entity in accordance with the Standard of GRAP on Consolidated and Separate Financial Statements. This standard also applies to individual annual financial statements.

Disclosure of related party transactions, outstanding balances, including commitments, and relationships with related parties may affect users' assessments of the financial position and performance of the reporting entity and its ability to deliver agreed services, including assessments of the risks and opportunities facing the entity. This disclosure also ensures that the reporting entity is transparent about its dealings with related parties.

The standard states that 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. As a minimum, the following are regarded as related parties of the reporting entity:

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Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

- A person or a close member of that person's family is related to the reporting entity if that person:
 - has control or joint control over the reporting entity;
 - has significant influence over the reporting entity;
 - is a member of the management of the entity or its controlling entity.
- An entity is related to the reporting entity if any of the following conditions apply:
 - the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others);
 - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
 - both entities are joint ventures of the same third party;
 - one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
 - the entity is controlled or jointly controlled by a person identified in (a); and
 - a person identified in (a)(i) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

The standard furthermore states that related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

The standard elaborates on the definitions and identification of:

- Close member of the family of a person;
- Management;
- Related parties;
- Remuneration; and
- Significant influence

The standard sets out the requirements, inter alia, for the disclosure of:

- Control;
- Related party transactions; and
- Remuneration of management

The effective date of the standard is for years beginning on or after 01 April 2019.

The municipality expects to adopt the standard for the first time in the 2019/2020 annual financial statements.

GRAP 108: Statutory Receivables

The objective of this Standard is: to prescribe accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables.

It furthermore covers: Definitions, recognition, derecognition, measurement, presentation and disclosure, transitional provisions, as well as the effective date.

The effective date of the standard is for years beginning on or after 01 April 2019.

The municipality expects to adopt the standard for the first time in the 2019/2020 annual financial statements.

GRAP 109: Accounting by Principals and Agents

The objective of this Standard is to outline principles to be used by an entity to assess whether it is party to a principal-agent arrangement, and whether it is a principal or an agent in undertaking transactions in terms of such an arrangement. The Standard does not introduce new recognition or measurement requirements for revenue, expenses, assets and/or liabilities that result from principal-agent arrangements. The Standard does however provide guidance on whether revenue, expenses, assets and/or liabilities should be recognised by an agent or a principal, as well as prescribe what information should be disclosed when an entity is a principal or an agent.

It furthermore covers Definitions, Identifying whether an entity is a principal or agent, Accounting by a principal or agent, Presentation, Disclosure, Transitional provisions and Effective date.

The effective date of the standard is for years beginning on or after 01 April 2019.

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Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

The municipality expects to adopt the standard for the first time in the 2019/2020 annual financial statements.

IGRAP 18: Interpretation of the Standard of GRAP on Recognition and Derecognition of Land

This Interpretation of the Standards of GRAP applies to the initial recognition and derecognition of land in an entity's financial statements. It also considers joint control of land by more than one entity.

When an entity concludes that it controls the land after applying the principles in this Interpretation of the Standards of GRAP, it applies the applicable Standard of GRAP, i.e. the Standard of GRAP on Inventories, Investment Property (GRAP 16), Property, Plant and Equipment (GRAP 17) or Heritage Assets. As this Interpretation of the Standards of GRAP does not apply to the classification, initial and subsequent measurement, presentation and disclosure requirements of land, the entity applies the applicable Standard of GRAP to account for the land once control of the land has been determined. An entity also applies the applicable Standards of GRAP to the derecognition of land when it concludes that it does not control the land after applying the principles in this Interpretation of the Standards of GRAP.

In accordance with the principles in the Standards of GRAP, buildings and other structures on the land are accounted for separately. These assets are accounted for separately as the future economic benefits or service potential embodied in the land differs from those included in buildings and other structures. The recognition and derecognition of buildings and other structures are not addressed in this Interpretation of the Standards of GRAP.

The effective date of the interpretation is for years beginning on or after 01 April 2019.

The municipality expects to adopt the interpretation for the first time in the 2019/2020 annual financial statements.

IGRAP 19: Liabilities to Pay Levies

This Interpretation of the Standards of GRAP provides guidance on the accounting for levies in the financial statements of the entity that is paying the levy. It clarifies when entities need to recognise a liability to pay a levy that is accounted for in accordance with GRAP 19.

To clarify the accounting for a liability to pay a levy, this Interpretation of the Standards of GRAP addresses the following issues:

- What is the obligating event that gives rise to the recognition of a liability to pay a levy?
- Does economic compulsion to continue to operate in a future period create a constructive obligation to pay a levy that will be triggered by operating in that future period?
- Does the going concern assumption imply that an entity has a present obligation to pay a levy that will be triggered by operating in a future period?
- Does the recognition of a liability to pay a levy arise at a point in time or does it, in some circumstances, arise progressively over time?
- What is the obligating event that gives rise to the recognition of a liability to pay a levy that is triggered if a minimum threshold is reached?

Consensus reached in this interpretation:

- The obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation;
- An entity does not have a constructive obligation to pay a levy that will be triggered by operating in a future period as a result of the entity being economically compelled to continue to operate in that future period;
- The preparation of financial statements under the going concern assumption does not imply that an entity has a present obligation to pay a levy that will be triggered by operating in a future period;
- The liability to pay a levy is recognised progressively if the obligating event occurs over a period of time;
- If an obligation to pay a levy is triggered when a minimum threshold is reached, the accounting for the liability that arises from that obligation shall be consistent with the principles established in this Interpretation of the Standards of GRAP; and
- An entity shall recognise an asset, in accordance with the relevant Standard of GRAP, if it has prepaid a levy but does not yet have a present obligation to pay that levy.

The effective date of the interpretation is for years beginning on or after 01 April 2019.

The municipality expects to adopt the interpretation for the first time in the 2019/2020 annual financial statements.

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

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	2019	2018
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3. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	13 175	13 811
Bank balances	94 853 665	105 436 927
	<u>94 866 840</u>	<u>105 450 738</u>

For the purpose of the Cash Flow Statement, Cash and cash equivalents includes Cash on hand and cash in banks. Refer to note 56 on the additional disclosures required by the Municipal Finance Management Act where the detail regarding the bank are disclosed.

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at banks and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

Credit rating			
Current Account	(P-3)	94 853 665	105 436 928
ABSA	(P-3)	-	5 068 377
Nedbank	(P-3)	10 147 767	15 312 268
Investec	(P-1)	-	5 167 753
Standard Bank	(P-3)	5 073 195	10 138 818
FirstRand Bank Limited	(P-1)	-	10 237 592
		<u>110 074 627</u>	<u>151 361 736</u>

P-1 Issuers (or supporting institutions) rated Prime-1 have a superior ability to repay short term debt obligations.

P-2 Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short term debt obligations.

P-3 Issuers (or supporting institutions) rated Prime-3 have an acceptable ability to repay short term debt obligations.

4. Receivables from exchange transactions

Gross balances

Availability charges	8 199 637	6 294 498
Electricity	62 998 861	48 067 564
Housing rental	8 228 955	6 319 055
Housing Selling Schemes	305 537	166 106
Refuse	21 079 220	18 702 140
Sewerage	34 164 832	30 714 993
Sundries	7 172 469	4 820 550
Water	32 653 521	26 013 506
	<u>174 803 032</u>	<u>141 098 412</u>

Less: Allowance for impairment

Availability charges	(6 646 894)	(5 457 150)
Electricity	(5 347 687)	(2 625 443)
Housing Selling schemes	(99 972)	(11 024)
Housing rental	(3 696 301)	(4 864 531)
Refuse	(15 150 010)	(12 964 437)
Sewerage	(24 413 229)	(20 790 283)
Sundries	(4 556 765)	(3 244 117)
Water	(17 570 011)	(12 852 270)
	<u>(77 480 869)</u>	<u>(62 809 255)</u>



BREED VALLEY MUNICIPALITY

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4. Receivables from exchange transactions (continued)		
Net balance		
Availability charges	1 552 743	837 348
Electricity	57 651 174	45 442 121
Housing rental	4 532 654	1 454 524
Housing selling schemes	205 565	155 082
Refuse	5 929 210	5 737 703
Sewerage	9 751 603	9 924 710
Sundries	2 615 704	1 576 433
Water	15 083 510	13 161 236
	97 322 163	78 289 157
Electricity		
Current (0 -30 days)	56 769 812	45 152 889
31 - 60 days	3 150 281	499 971
61 - 90 days	351 109	555 795
91 - 120 days	275 027	82 577
121 - 365 days	2 452 635	1 776 335
Less: Allowance for impairment	(5 347 690)	(2 625 446)
	57 651 174	45 442 121
Water		
Current (0 -30 days)	11 393 617	9 469 489
31 - 60 days	1 466 050	1 204 688
61 - 90 days	1 244 033	1 209 327
91 - 120 days	911 259	893 622
121 - 365 days	17 638 562	13 236 380
Less: Allowance for impairment	(17 570 011)	(12 852 270)
	15 083 510	13 161 236
Sewerage		
Current (0 -30 days)	5 203 098	4 818 493
31 - 60 days	1 351 660	1 317 843
61 - 90 days	1 053 702	1 089 616
91 - 120 days	1 016 960	1 012 075
121 - 365 days	25 539 412	22 476 966
Less: Allowance for impairment	(24 413 229)	(20 790 283)
	9 751 603	9 924 710
Refuse		
Current (0 -30 days)	3 017 532	2 783 337
31 - 60 days	794 572	790 431
61 - 90 days	627 947	669 010
91 - 120 days	592 116	622 668
121 - 365 days	16 047 053	13 836 694
Less: Allowance for impairment	(15 150 010)	(12 964 437)
	5 929 210	5 737 703



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Figures in Rand	2019	2018
4. Receivables from exchange transactions (continued)		
Availability charges		
Current (0 -30 days)	417 788	402 501
31 - 60 days	206 729	204 504
61 - 90 days	166 250	177 838
91 - 120 days	161 667	166 939
121 - 365 days	7 247 203	5 342 716
Less: Allowance for impairment	(6 646 894)	(5 457 150)
	1 552 743	837 348
Housing Selling Schemes		
Current (0 -30 days)	5 810	10 115
31 - 60 days	1 676	3 828
61 - 90 days	1 214	2 953
91 - 120 days	1 067	2 954
121 - 365 days	295 770	146 255
Less: Allowance for impairment	(99 972)	(11 023)
	205 565	155 082
Housing rental		
Current (0 -30 days)	372 519	314 837
31 - 60 days	235 893	215 188
61 - 90 days	195 838	199 335
91 - 120 days	193 330	194 390
121 - 365 days	7 231 375	5 395 305
Less: Allowance for impairment	(3 696 301)	(4 864 531)
	4 532 654	1 454 524
Sundries		
Current (0 -30 days)	1 145 677	1 127 453
31 - 60 days	506 290	52 594
61 - 90 days	362 446	841 761
91 - 120 days	44 345	32 186
121 - 365 days	5 113 711	2 766 556
Less: Allowance for impairment	(4 556 765)	(3 244 117)
	2 615 704	1 576 433



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Annual Financial Statements for the year ended 30 June 2019

Notes to the Annual Financial Statements

Figures in Rand	2019	2018
4. Receivables from exchange transactions (continued)		
Summary of debtors by customer classification		
Consumers		
Current (0 -30 days)	61 529 910	49 908 606
31 - 60 days	6 059 169	3 340 563
61 - 90 days	3 144 247	3 696 182
91 - 120 days	2 510 480	2 342 351
121 - 365 days	64 075 029	50 608 098
	137 318 835	109 895 800
Industrial/ commercial		
Current (0 -30 days)	14 203 383	12 495 627
31 - 60 days	1 398 681	836 377
61 - 90 days	725 809	925 414
91 - 120 days	579 512	586 455
121 - 365 days	14 790 891	12 670 759
	31 698 276	27 514 632
National and provincial government		
Current (0 -30 days)	2 592 560	1 674 877
31 - 60 days	255 303	112 106
61 - 90 days	132 483	124 040
91 - 120 days	105 779	78 607
121 - 365 days	2 699 799	1 698 351
	5 785 924	3 687 981
Total		
Current (0 -30 days)	78 325 853	64 079 112
31 - 60 days	7 713 152	4 289 046
61 - 90 days	4 002 538	4 745 636
91 - 120 days	3 195 771	3 007 412
121 - 365 days	81 565 718	64 977 208
	174 803 032	141 098 414
Less: Allowance for impairment	(77 480 869)	(62 809 257)
	97 322 163	78 289 157
Less: Allowance for impairment		
31 - 60 days	(6 194 436)	(3 497 716)
61 - 90 days	(3 214 440)	(3 870 067)
91 - 120 days	(2 566 524)	(2 452 545)
121 - 365 days	(65 505 469)	(52 988 927)
	(77 480 869)	(62 809 255)
Total debtor past due but not impaired		
31 - 60 days	1 518 716	791 328
61 - 90 days	788 098	875 569
91 - 120 days	629 246	554 867
121 - 365 days	16 060 248	11 988 281
	18 996 308	14 210 045



BREED VALLEY MUNICIPALITY

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4. Receivables from exchange transactions (continued)

Receivables from exchange transactions impaired

As at 30 June 2019, were receivables from exchange transactions with an amount of R 77 480 869 (2018: R 62 809 255) impaired and provided for.

Reconciliation of allowance for impairment

Balance at beginning of the year	(62 809 255)	(47 236 289)
Contributions to allowance	(34 354 634)	(31 560 965)
Debt impairment written off against allowance	19 683 020	15 987 999
	<u>(77 480 869)</u>	<u>(62 809 255)</u>

Receivables from exchange transactions past due but not impaired

All trade receivables that are past due at the end of the reporting period are considered for impairment. It is expected that the trade receivables not impaired will be received by the municipality. The Council regards receivables from exchange transactions to be due for outstanding amounts more than 30 days to be past due. The impairment of receivables from exchange transactions is calculated based on the historic payment rate per individual receivable. It is expected that the trade receivables not impaired will be received by the municipality.

As of 30 June 2019 receivables from exchange transactions of R18 996 308 (2018: R14 210 045) were past due not impaired.

Credit quality of receivables from exchange transactions

The credit quality of consumer debtors that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Notes to the Annual Financial Statements

Figures in Rand	2019	2018
5. Receivables from non-exchange transactions		
Gross balances		
Rates	28 275 898	29 736 118
Traffic fines	76 833 388	151 224 100
Traffic revenue receivable	59 671	59 671
Receivables fraud	129 999	129 999
Housing board subsidies	507 643	422 643
	105 806 599	181 572 531
Less: Allowance for impairment		
Rates	(15 154 179)	(17 847 673)
Traffic fines	(57 100 698)	(120 018 886)
	(72 254 877)	(137 866 559)
Net balance		
Rates	13 121 719	11 888 445
Traffic fines	19 732 690	31 205 214
Traffic revenue receivable	59 671	59 671
Receivables fraud	129 999	129 999
Housing board subsidies	507 643	422 643
	33 551 722	43 705 972
Rates		
Current (0 -30 days)	8 195 923	8 334 300
31 - 60 days	1 025 833	894 319
61 - 90 days	512 051	589 046
91 - 120 days	392 196	506 115
121 - 365 days	18 149 896	19 412 338
> 365 days	(15 154 179)	(17 847 673)
	13 121 720	11 888 445
Summary of rates receivables by customer classification: Rates		
Consumers		
Current (0 -30 days)	6 438 416	6 491 247
31 - 60 days	805 857	696 549
61 - 90 days	402 248	458 784
91 - 120 days	308 094	394 193
121 - 365 days	14 257 891	15 119 478
	22 212 506	23 160 251
Industrial/ commercial		
Current (0 -30 days)	1 486 225	1 625 215
31 - 60 days	186 022	174 395
61 - 90 days	92 854	114 866
91 - 120 days	71 120	98 694
121 - 365 days	3 291 250	3 785 467
	5 127 471	5 798 637



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SOUTH AFRICA

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

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Figures in Rand	2019	2018
5. Receivables from non-exchange transactions (continued)		
National and provincial government		
Current (0 -30 days)	271 282	217 838
31 - 60 days	33 955	23 375
61 - 90 days	16 949	15 396
91 - 120 days	12 982	13 229
121 - 365 days	600 756	507 393
	935 924	777 231
Total		
Current (0 -30 days)	8 195 923	8 334 300
31 - 60 days	1 025 833	894 319
61 - 90 days	512 051	589 046
91 - 120 days	392 196	506 116
121 - 365 days	18 149 896	19 412 338
	28 275 899	29 736 119
Less: Allowance for impairment	(15 154 179)	(17 847 673)
	13 121 720	11 888 446
Less: Allowance for impairment		
Current (0 -30 days)	-	-
31 - 60 days	(774 187)	(745 802)
61 - 90 days	(386 440)	(491 224)
91 - 120 days	(295 987)	(422 066)
121 - 365 days	(13 697 566)	(16 188 580)
	(15 154 180)	(17 847 672)
Total receivables past due but not impaired		
31 - 60 days	251 646	148 517
61 - 90 days	125 611	97 821
91 - 120 days	96 209	84 049
121 - 365 days	4 452 330	3 223 757
	4 925 796	3 554 144
Reconciliation of Traffic fines		
Opening balance	31 205 214	22 007 864
New receivables traffic fines	32 218 825	88 647 850
Write Offs	(98 710 936)	(48 780 530)
Payment of old fines	(7 898 600)	(406 070)
Provision for impairment movement	63 304 173	(30 263 900)
	20 118 676	31 205 214
Receivables from non-exchange transactions impaired		
As of 30 June 2019, receivables from non-exchange transactions were impaired by R72 254 877 (2018: R137 866 559) and provided for.		
Reconciliation of allowance for impairment: Rates		
Balance at beginning of the year	17 847 672	13 163 303
Contributions to allowance	(1 650 360)	5 762 344
Debt impairment written off against allowance	(1 043 132)	(1 077 975)
	15 154 180	17 847 672



BREDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Notes to the Annual Financial Statements

Figures in Rand	2019	2018
5. Receivables from non-exchange transactions (continued)		
Reconciliation of allowance for impairment: Traffic Fines		
Balance at beginning of the year	120 018 885	89 754 985
Contributions to allowance	35 792 750	79 044 430
Debt impairment written off against allowance	(98 710 937)	(48 780 530)
	<u>57 100 698</u>	<u>120 018 885</u>

Credit quality of receivables from non-exchange transactions

The credit quality of receivables from non-exchange transactions that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

6. Other receivables from exchange transactions

Loans granted	5 735	3 306
Other receivables	1 526 084	3 427 832
PAYE	931 731	931 731
Prepaid expenses	1 341 353	21 116 610
Recoverable expenses	319 836	235 786
Less: Allowance for impairment	(4 124)	(3 306)
	<u>4 120 615</u>	<u>25 711 959</u>

The credit quality of receivables from exchange transactions that are neither past nor due nor impaired can be assessed by reference to external ratings (if available) or to historical information about default rates.

Reconciliation of allowance for impairment

Opening Balance	(3 306)	(2 376)
Increase in provision for the year	(818)	(930)
	<u>(4 124)</u>	<u>(3 306)</u>

7. Inventories

Consumable stores	9 883 981	14 442 554
Water stock	541 113	513 075
	<u>10 425 094</u>	<u>14 955 629</u>

Inventories recognised as an expense during the year 17 260 339 16 319 074

During the year no inventory was written off.

Inventory pledged as security

None of the above Inventory has been pledged as security.

8. VAT receivable

South African Revenue Service	<u>910 722</u>	<u>13 708 021</u>
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The municipality is registered on the cash basis. No penalties and fines were incurred during the year.

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Notes to the Annual Financial Statements

Figures in Rand	2019	2018
9. Short term investments		
Other fixed deposits	15 000 000	45 000 000
Current assets		
Short term portion of investment	15 000 000	45 000 000

Short term fixed deposits are made with various banks for a period from 1 - 12 months. The interest rates earned vary between 7.17 % and 8.20%.

10. Investment property

	2019			2018		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	43 750 400	-	43 750 400	21 785 500	-	21 785 500

Reconciliation of investment property - 2019

	Opening balance	Disposals	Transfers received	Fair value adjustments	Total
Investment property	21 785 500	-	6 760 225	15 204 675	43 750 400

Reconciliation of investment property - 2018

	Opening balance	Disposals	Transfers	Fair value adjustments	Total
Investment property	21 018 000	-	-	767 500	21 785 500

Pledged as security

None of the above investment property have been pledged as security.

Details of property

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Details of valuation

The effective date of the revaluations was Sunday, 30 June 2019. Revaluations were performed by an independent valuer, Mr Coenraad Botha, of HCB Property Valuations. Mr Botha is a Professional Valuer registered at SACVP. HCB Property Valuations is not connected to the municipality and have recent experience in location and category of the investment property being valued.

The valuation was based on open market value for existing use.

Amounts recognised in surplus and deficit for the year:

The rental revenue earned from investment property for the financial year amounts to R 339 369 (2018: R 200 627).

BREED VALLEY MUNICIPALITY

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10. Investment property (continued)

In the previous year the expenditure on investment property ran through one department who managed all repairs and maintenance on the municipality's structures and therefore an accurate split for the amount of investment properties operating expense could not be made for prior years. The operating expenses (including repairs and maintenance) incurred on the investment property for the financial were as follow :

Repairs and maintenance per class of asset type

Buildings	-	-
	3 724	1 038
	<u>3 724</u>	<u>1 038</u>

Repairs and maintenance per nature of expense

Contracted services	3 724	1 038
	<u>3 724</u>	<u>1 038</u>



BREEDE VALLEY MUNICIPALITY

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11. Property, Plant and Equipment

	2019				2018				
	Cost / Valuation	Accumulated depreciation and impairment	Carrying value	Cost / Valuation	Accumulated depreciation and impairment	Carrying value	Cost / Valuation	Accumulated depreciation and impairment	Carrying value
Buildings	304 301 404	(180 297 778)	124 003 626	275 630 453	(177 667 601)	97 962 852			
Infrastructure	2 868 885 243	(1 100 617 020)	1 768 268 223	2 669 970 405	(1 033 647 289)	1 636 323 116			
Land	233 614 537	-	233 614 537	239 657 087	-	239 657 087			
Other property, plant and equipment	129 656 051	(53 641 871)	76 014 180	97 233 190	(42 844 611)	54 388 579			
Total	3 536 457 235	(1 334 556 669)	2 201 900 566	3 282 491 135	(1 254 159 501)	2 028 331 634			

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Disposals	Transfers	Other changes, movements	Depreciation	Impairment loss	Total
Buildings	97 962 852	32 863 114	-	(838 788)	-	(5 983 553)	-	124 003 626
Infrastructure	1 636 323 116	197 413 475	(25 745)	2 731 146	-	(68 173 768)	-	1 768 268 223
Land	239 657 087	-	-	(6 042 550)	-	-	-	233 614 537
Other property, plant and equipment	54 388 579	35 654 868	(745 456)	1 470	184 419	(13 399 353)	(70 345)	76 014 180
Total	2 028 331 634	265 931 457	(771 201)	(4 148 722)	184 419	(87 556 674)	(70 345)	2 021 900 566

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Disposals	Transfers	Other changes, movements	Depreciation	Total
Buildings	97 948 031	5 345 536	(114)	-	-	(5 330 601)	97 962 852
Infrastructure	1 510 532 772	185 133 625	-	7 209 814	-	(66 553 095)	1 636 323 116
Land	239 675 837	-	(18 750)	-	-	-	239 657 087
Other property, plant and equipment	58 864 451	10 543 150	(107 323)	-	(2 185 111)	(12 726 588)	54 388 579
Total	1 907 021 091	201 022 311	(126 187)	7 209 814	(2 185 111)	(84 610 284)	2 028 331 634



BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Notes to the Annual Financial Statements

Figures in Rand 2019 2018

11. Property, Plant and Equipment (continued)

Pledged as security

None of the above property, plant and equipment have been pledged as security.

Work in progress

The work in progress balances included in the property plant and equipment balance is as follows:

Buildings	10 012 222	3 145 449
Infrastructure	234 648 448	100 300 245
	<u>244 660 670</u>	<u>103 445 694</u>

No funding challenges have been experienced in the 2018/19 financial year and work in progress balances were mainly as a result of projects being multi-year projects.

The following expenditure was incurred to repair and maintain property plant and equipment:

Repairs and maintenance per allocation to asset type

Infrastructure	40 157 916	41 195 084
General Vehicles	8 300 143	5 649 663
Plant and Equipment	3 578 019	1 595 854
Furniture and other Office Equipment	1 371 209	1 679 999
Other Buildings	8 534 620	11 836 670
	<u>61 941 907</u>	<u>61 957 270</u>

Repairs and maintenance per nature of expense

Contracted Services	37 196 859	49 984 054
Labour	11 205 069	9 707 173
Material	13 539 979	2 266 043
	<u>61 941 907</u>	<u>61 957 270</u>

Change in Accounting Estimate

A review of useful lives was done on assets. During the review certain infrastructure and other property plant and equipment with R nil book values and nil remaining lives were identified. The municipality's management considered how to account for the change in the estimated useful lives. The effect of a change in accounting estimate is required to be recognised prospectively by including it in surplus or deficit in the period of the change, if the change effects that period only; or the period of the change in future periods, if the change effects both. Management concluded that it should apply the change in estimate prospectively from the start of 2019 and therefore the depreciation charge was applied prospectively from 1 July 2018 over the remaining useful life of these assets. The effect of the change in accounting estimate is further disclosed in note 49.

The total cost of fully depreciated assets still in use amounts to R2 168 903. These are items that do not have an active market and cannot be sold when it is no longer in use.

Other Information

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Refer to Appendix B for more detail on property, plant and equipment.

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Notes to the Annual Financial Statements

	2019	2018 Restated*
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12. Intangible assets

	2019			2018		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	2 848 755	(2 221 099)	627 656	2 781 346	(1 973 883)	807 463
Right of use of water	4 275 264	(470 509)	3 804 755	4 275 264	(427 758)	3 847 506
Total	7 124 019	(2 691 608)	4 432 411	7 056 610	(2 401 641)	4 654 969

Reconciliation of intangible assets - 2019

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	807 463	71 600	(100)	(251 305)	627 657
Right of use of water	3 847 506	-	-	(42 752)	3 804 754
	4 654 969	71 600	(100)	(294 057)	4 432 411

Reconciliation of intangible assets - 2018

	Opening balance	Amortisation	Total
Computer software	1 203 705	(396 242)	807 463
Water rights	3 890 376	(42 870)	3 847 506
	5 094 081	(439 112)	4 654 969

Pledged as security

None of the above intangible assets have been pledged as security.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

* See note 50



BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

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2019

2018
Restated*

13. Heritage assets

	2019			2018		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Art	12 575 100	-	12 575 100	12 575 100	-	12 575 100
Books	585 959	-	585 959	585 959	-	585 959
Land	16 770 000	-	16 770 000	16 770 000	-	16 770 000
Buildings	6 700 000	-	6 700 000	6 700 000	-	6 700 000
Total	36 631 059	-	36 631 059	36 631 059	-	36 631 059

Reconciliation of heritage assets 2019

	Opening balance	Total
Art	12 575 100	12 575 100
Books	585 959	585 959
Land	16 770 000	16 770 000
Buildings	6 700 000	6 700 000
Other (specify class)	-	-
	36 631 059	36 631 059

Reconciliation of heritage assets 2018

	Opening balance	Total
Art	12 575 100	12 575 100
Books	585 959	585 959
Land	16 770 000	16 770 000
Buildings	6 700 000	6 700 000
	36 631 059	36 631 059

Other information

The municipality assessed whether there is an indication that heritage assets needs to be impaired. No impairment loss on heritage assets was recognised for the period under review.

No expenditure was incurred to repair and maintain heritage assets.

None of the above heritage assets have been pledged as security.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

* See note 50



BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Notes to the Annual Financial Statements

	2019	2018 Restated*
14. Long term receivables		
Housing selling schemes loans		
Housing selling schemes	108 686	128 764
Less: Allowance for impairment	(39 714)	(43 518)
	68 972	85 246
Welfare loans		
Welfare loans	-	2 070
Less: Allowance for impairment	-	(881)
	-	1 189
Housing loans - personnel		
Housing personnel	213 525	289 495
Arrangements		
Arrangements	7 390 219	10 207 014
Less: Allowance for impairment	(3 986 977)	(5 718 676)
	3 403 242	4 488 338
Less: Current Portion transferred to current receivables		
Housing selling schemes	(6 318)	(7 082)
Welfare loans	-	(2 072)
Housing personnel	(14 431)	(21 994)
Arrangements	(3 787 665)	(2 807 488)
	(3 808 414)	(2 838 636)
Less: Current Portion of allowance for impairment transferred to current receivables		
Housing selling schemes	-	(881)
Welfare loans	(2 303)	(2 394)
Arrangements	(2 043 422)	(2 283 924)
	(2 045 725)	(2 287 199)
Long term receivables- Net		
Long term receivables - non-current portion	1 923 050	4 312 831
Long term receivables - current portion	1 762 689	551 437
	3 685 739	4 864 268

* See note 50



BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Notes to the Annual Financial Statements

2019

2018
Restated*

14. Long term receivables (continued)

Housing selling scheme loans

Housing loans are granted to qualifying individuals in terms of the provincial administration's housing programme. These loans attract interest of prime plus 1 % per annum and are repayable over a maximum period of 30 years.

Welfare loans

Welfare loans are granted to qualifying organisations in terms of the provincial administration's housing programme. These loans attract interest at prime plus 1% per annum and are repayable over a maximum period of 30 years.

Housing loans - Personnel

Housing loans were granted to personnel and attract interest at between 7.5% and 15% per annum and are repayable over periods not exceeding 30 years.

Land sales

Loans were granted to individuals for purchasing land from the municipality. These loans attract interest at prime plus 1% and are repayable over periods not exceeding 2 years.

Arrangements

The arrangements consist of consumer receivables with whom the council has negotiated repayment terms. These arrangements attract no interest and the repayment periods of up to 30 years.

As of 30 June 2019 long term receivables of R4 026 691 (2018: R5 763 075) were impaired. The individually impaired receivables mainly relate to those receivables who have agreements with the municipality to pay their debt over a long period. The ageing of these individually impaired receivables is more than 365 days based on the nature of long term receivables.

15. Payables from exchange transactions

Credit balances closed	395 279	30 049
Ex Retentions	290 039	290 039
Lease liability	107 157	270 153
Other payables	3 069 673	2 755 702
Payments received in advance	6 913 324	4 310 978
Retentions	5 793 813	6 688 280
Sundry deposits	649 905	546 460
Trade payables	73 073 556	84 879 570
	90 292 740	99 771 225

* See note 50



BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Notes to the Annual Financial Statements

	2019	2018 Restated*
16. Consumer deposits		
Electricity	1 893 284	1 792 073
Water	2 190 055	2 120 086
	<u>4 083 339</u>	<u>3 912 159</u>
Guarantees		
Guarantees held in lieu of Electricity and Water deposits	<u>20 500</u>	<u>22 000</u>
<p>Consumer deposits are paid by consumers on application for new water and electricity connections. The deposits are repaid when the water and electricity connections are terminated. Council policy dictates that all accounts are owner accounts. Consumer deposits are refunded to the owner when a house is sold after the municipality has issued a clearance certificate. A clearance certificate will only be issued to the old owner if the municipal account is up to date.</p>		
17. Unspent conditional grants and receipts		
Balances at year end		
Unspent grants	<u>21 301 107</u>	<u>47 472 305</u>
Movement during the year		
Balance at the beginning of the year	47 472 305	28 363 641
Total Government receipts	272 757 834	281 846 230
Conditions met- capital grants	(165 737 866)	(132 878 165)
Conditions met- operating grants	(126 887 200)	(115 718 808)
Conditions met- Housing grants	(6 388 966)	(13 986 549)
Included in other receivables	507 643	422 643
From other receivables	(422 643)	(576 687)
	<u>21 301 107</u>	<u>47 472 305</u>
<p>The allocations and subsidies received from National and Provincial Government as well the District Municipality, have been deposited into the Council's own bank account. The allocations received have been utilised in accordance with the conditions set. Where all the conditions have not yet been met, the total allocations have not been utilised. The outstanding conditions will be met prior to/or when the balance of the allocations is utilised. The percentage of the allocations utilised is an indication of the conditions met. Where the total of the allocations were utilised, all the conditions have been met. Also refer to Appendix D for further detail regarding unspent conditional grants.</p>		
18. Long term liabilities		
At amortised cost		
Annuity loans	<u>220 375 642</u>	<u>230 071 602</u>
<p>Refer to Appendix A for further information on long term liabilities.</p>		
Non-current liabilities		
At amortised cost	<u>203 881 100</u>	<u>214 291 004</u>
Current liabilities		
At amortised cost	<u>16 494 542</u>	<u>15 780 598</u>

* See note 50



BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Notes to the Annual Financial Statements

	2019	2018 Restated*
19. Employee benefit obligation		
Reconciliation of employee benefits - 2019		
	Opening Balance	Additions
		Benefits paid during the year
		Total
Post-retirement medical aid benefits	140 089 000	7 570 371
Long service awards	18 558 000	3 291 584
Performance bonus	778 941	947 787
Staff leave accrual	19 681 710	3 833 793
13th cheque accrual	5 374 398	817 333
	184 482 049	16 460 868
		(10 463 250)
		190 479 667
Reconciliation of employee benefits - 2018		
	Opening Balance	Additions
		Benefits paid during the year
		Total
Post-retirement medical aid benefits	140 855 000	5 029 138
Long service awards	17 421 000	3 021 413
Performance bonus	307 785	753 012
Staff leave accrual	16 932 404	3 946 280
13th cheque accrual	4 969 145	405 253
	180 485 334	13 155 096
		(9 158 381)
		184 482 049
Non-current employee benefits		
Provision for Post-retirement medical aid benefits		135 405 299
Long service awards		17 772 628
		153 177 927
		134 008 000
		16 797 101
Current employee benefits		
Provision for Post-retirement medical aid benefits		6 313 701
Long service awards		2 114 372
Performance bonus		947 788
Staff leave accrual		21 734 148
13th cheque accrual		6 191 731
		37 301 740
		6 081 000
		1 760 899
		778 940
		19 681 711
		5 374 398
		33 676 948
Post-Retirement medical aid benefit: Movements		
Opening balance		140 089 000
Benefits paid		(5 940 371)
Net expense recognised		7 570 371
		141 719 000
		140 089 000
Post-Retirement medical aid benefit: Net expense recognised		
Current service cost		4 972 000
Interest cost		15 043 000
Actuarial losses/(Gains)		(12 444 629)
		7 570 371
		5 029 138
Long service awards: Movements		
Opening balance		18 558 000
Benefits paid		(1 962 584)
Net expense recognised		3 291 584
		19 887 000
		18 558 000

* See note 50



BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Notes to the Annual Financial Statements

	2019	2018 Restated*
19. Employee benefit obligation (continued)		
Long service awards: Net expense recognised		
Current service cost	1 386 000	1 302 000
Interest cost	1 830 000	1 792 000
Actuarial losses/(Gains)	75 584	(72 587)
	3 291 584	3 021 413

Defined benefit plan

Post retirement medical aid plan

Current and continuation members receive a 60% and 70% subsidy respectively of medical and contributions in retirement. The spouse and child dependants of an employee are entitled to a 60% and 70% subsidy respectively of their contributions in the event of the principal members' death in-service. In the event of the death of the principal member, the spouse becomes the principal member.

In 2019: 68% (2018: 66%) of the employees belonged to the above plan. The plan is defined as a post-retirement medical benefit plan.

Long service awards

All permanent employees are entitled to a specified number of days additional leave based on their service. The employee may convert the additional leave into a cash amount.

In 2019: 11.76 % (2018:19.09%) of the employees qualified for long service awards.

Key assumptions used

The municipality made use of an independent firm to perform the valuation of post-retirement medical aid benefits and long service awards. Niel Fourie (B.Comm) (CERA) (FASSA) and Julian van der Spuy (B.Comm Actuarial Science) from ZAQ Consultants and Actuaries were the experts for the valuation. The key assumptions used by the experts are listed below for the last valuation on 30 June 2019:

Post Retirement medical aid benefit: Discount rate	10,99 %	9,95 %
Post Retirement medical aid benefit: Healthcare cost inflation	8,52 %	7,98 %
Long service awards: Discount rates	Yield curve	Yield curve
Long service awards: Discounts Salary inflation	CPI+1%	CPI+1%

The nominal and real zero curves as at 28 June 2019 supplied by the JSE are the basis used to determine the discount rate and CPI assumptions at each relevant time period.

Sensitivity analysis

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trend rates would have the following effects:

	One percentage point increase	One percentage point decrease
Effect on the service	6 668 000	4 002 000
Effect on defined interest cost	18 569 000	13 532 000
Effect on defined benefit obligation	172 051 000	123 936 000

* See note 50



BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Notes to the Annual Financial Statements

	2019	2018 Restated*
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19. Employee benefit obligation (continued)

Assumed salary inflation trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed salary inflation trends rates would have the following effects:

	One percentage point increase	One percentage point decrease
Effect on the service	1 593 000	1 341 000
Effect on defined interest cost	2 108 000	1 817 000
Effect on defined benefit obligation	21 364 000	18 556 000

Defined contribution plan

It is the policy of the municipality to provide retirement benefits to all 894 (2018: 875) of its employees. A number of defined contribution provident funds, all of which are subject to the Pensions Fund Act exist for this purpose.

The municipality is under no obligation to cover any unfunded benefits.

The last valuation of the Municipal Workers Retirement Fund (Previously the SAMWU National Provident Fund) was done on 30 June 2017.

The last valuation of the SALA Pension Fund was done on 1 July 2018.

The last valuation of the Consolidated Retirement Fund for Local Government (previously Cape Joint Retirement Fund) was performed on 30 June 2017.

The last valuation of the LA Retirement Fund (previously Cape Joint Pension Fund) was performed on 30 June 2018.

The valuers of the respective funds were satisfied that the plan is in a sound financial position.

Contributions by Council in respect of employees retirement funding. The contributions have been expensed which amounted to R 29 481 628 (2018: R 27 037 764).

Councillors who are elected are members of different pension schemes. The contributions have been expensed which amounted to R1 516 148 (2018: R1 475 921).

Contributions to medical aid funds

Contributions to medical aid funds for employees	17 232 205	15 622 316
Contributions to medical aid funds for councillors	261 200	181 511
Contributions to medical aid funds for pensioners	5 940 371	5 795 138
	23 433 776	21 598 965

Cape Joint Retirement and Pension Fund for Local Government

This multi-employer fund was established with effect from 1 May 1996 to provide insured death, disability and pension benefits to its members.

The contribution rate for members is 9% of basic salary, whilst the respective Local Authorities are contributing 18%.

This defined benefit plan is accounted for as a defined contribution plan as the municipality's liability in the proportionate share of actuarial gains and losses cannot readily be determined.

The last statutory valuation performed as at 30 June 2018 revealed that the funding level of the share account was 100.4 % and the pension account was 128%. At the valuation date the municipality had 759 members (Fund: 45 272 members) and nil pensioners (Fund: 618 pensioners) belonging to the fund.

* See note 50



BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Notes to the Annual Financial Statements

	2019	2018 Restated*			
20. Provisions: Landfill Site					
Reconciliation of provisions - 2019					
	Opening Balance	Change in estimates	Closure Cost	Unwinding of the discount	Total
Provision for the rehabilitation of landfill site	81 473 049	184 420	-	3 815 654	85 473 123
Closure site	1 219 978	-	(63 868)	-	1 156 110
	82 693 027	184 420	(63 868)	3 815 654	86 629 233
Reconciliation of provisions - 2018					
	Opening Balance	Change in estimates	Closure Cost	Unwinding of the discount	Total
Provision for the rehabilitation of landfill site	78 930 239	(2 185 111)	-	4 727 921	81 473 049
Closure site	986 994	-	232 984	-	1 219 978
	79 917 233	(2 185 111)	232 984	4 727 921	82 693 027
Non-current liabilities				85 473 123	81 473 049
Current liabilities				1 156 110	1 219 978
				86 629 233	82 693 027

The provision for landfill site for De Doorns was done for a 8.5 year period, the Worcester site for a period of 2 months. Touwsriver is a closure site and is expected to be closed in the following 5 year period. No expenses have been incurred to date and the only movement is the contribution for the year. An assessment was done by JPCE (Pty) Ltd (Specialist Waste Management Consultants), an independent expert.

The unwinding of the provision for landfill site for the current year amounting to R 3 815 654 (2018: R 4 727 921) was included in the rehabilitation figure in the statement of financial performance as well as the Touwsriver closure cost as a provision reversal of R 63 868 (2018: provision of R 232 984).

21. Service charges

Electricity	389 166 342	351 232 975
Water	70 217 003	56 725 239
Sewerage and sanitation	67 133 021	65 381 487
Refuse removal	38 310 223	34 887 210
	564 826 589	508 226 911

* See note 50



BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Notes to the Annual Financial Statements

	2019	2018 Restated*
22. Sales of Goods and Rendering of Services		
Advertisement	182 865	445
Building Plan Approval	924 674	1 026 294
Camping Fees	364 592	338 913
Cemetary and Burial	931 519	968 029
Clearance Certificate	166 380	118 596
Entrance Fees	1 172 961	1 123 568
Fire Services	188 731	251 541
Photocopies and Faxes	56 665	72 283
Removal of Restrictions	304	15 629
Prints	18 962	22 554
Tender Documents	114 617	147 666
Sub-division and Consolidation Fees	160 282	55 713
Recycling of Waste	13 667	12 789
Valuation Services	107 562	71 173
	4 403 781	4 225 193
23. Rental income		
Operating lease rentals		
Housing Rentals	3 890 876	4 482 487
Other rental revenue	6 098 943	3 802 192
	9 989 819	8 284 679
24. Operational revenue		
Incidental Cash surpluses	2 498	2 595
Commission	229 756	220 494
Breakages and losses recovered	10 014	15 442
Administrative handling fees	4 032 738	3 478 631
Insurance refund	891 935	191 838
Merchandising jobbing and contracts	32 315	38 811
Municipal information and statistics	6 473	5 280
Staff Recoveries	97 199	68 039
Request for information	280	-
	5 303 208	4 021 130
25. Finance income		
Interest revenue		
Bank	11 232 875	16 555 890
Outstanding debtors	4 454 449	4 631 728
	15 687 324	21 187 618

* See note 50



BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Notes to the Annual Financial Statements

	2019	2018 Restated*
26. Property rates		
Rates received		
Residential	64 721 653	59 634 999
Commercial	34 538 497	31 410 608
State	13 817 299	12 852 690
Small holdings and farms	13 524 499	12 224 582
Other	1 068 830	1 045 246
Industrial	8 057 313	7 838 207
	135 728 091	125 006 332

Valuations

	R'000	R'000
Land	6 350 850	6 015 586
Improvements	18 054 745	18 038 844
	24 405 595	24 054 430

The valuations for land and improvements include De Doorns, Rawsonville, Touwsriver, Worcester and rural areas. Valuations on land and buildings are performed every five years. The last general valuation came into effect on 1 July 2016. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

Rates are levied on an annual and monthly basis with the final date for payment being 30 September 2018. Interest at prime plus one per annum and a collection fee, is levied on rates outstanding two months after due date. Monthly levies are allowed on application. A differentiated rebate up to 100% is granted to owners under certain circumstances. The basic rates for the above mentioned areas were charged for land and improvements at 0.8278 c/R (2018:0.7809 c/R) and for industrial and commercial sites at 1.6556 c/R (2018: 1.5618c/R).

27. Government grants and subsidies

Operating grants

Equitable share	108 977 000	98 097 000
Financial management grant	1 550 000	1 550 000
Housing projects	6 388 966	13 986 549
Other grants and donations	3 066 000	2 093 000
Provincial government	13 250 577	14 476 596
	133 232 543	130 203 145

Capital grants

Capital Grants	165 737 865	131 654 445
Total Government grants & subsidies	298 970 408	261 857 590

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

Balance unspent at beginning of year	-	-
Current year receipts	108 977 000	98 097 000
Conditions met- transferred to revenue	(108 977 000)	(98 097 000)
	-	-

* See note 50



BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Notes to the Annual Financial Statements

	2019	2018 Restated*
27. Government grants and subsidies (continued)		
Financial Management Grant		
Current year receipts	1 550 000	1 550 000
Conditions met- transferred to revenue	(1 550 000)	(1 550 000)
	<u>-</u>	<u>-</u>
EPWP		
Current-year receipts	3 066 000	2 093 000
Conditions met - transferred to revenue	(3 066 000)	(2 093 000)
	<u>-</u>	<u>-</u>
Housing projects		
Balance unspent at beginning of year	11 444 028	14 031 265
Current-year receipts	6 391 326	16 279 545
Conditions met - transferred to revenue	(6 388 966)	(13 986 549)
Other	(1 449 005)	(4 880 233)
	<u>9 997 383</u>	<u>11 444 028</u>
Conditions still to be met - remain liabilities (see note 17).		
LGWSETA Staff Development Grant		
Balance unspent at beginning of year	95 827	-
Current-year receipts	638 557	478 236
Conditions met - transferred to revenue	(734 384)	(284 588)
Other	-	(97 821)
	<u>-</u>	<u>95 827</u>
Conditions still to be met - remain liabilities (see note 17).		
Provincial government		
Balance unspent at beginning of year	67 453	899 631
Current-year receipts	12 094 082	12 655 721
Conditions met - transferred to revenue	(12 016 193)	(13 392 009)
Other	1 214 658	(95 890)
	<u>1 360 000</u>	<u>67 453</u>
Conditions still to be met - remain liabilities (see note 17).		

* See note 50

BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Notes to the Annual Financial Statements

	2019	2018 Restated*
27. Government grants and subsidies (continued)		
Cape Winelands		
Balance unspent at beginning of year	-	300 000
Current-year receipts	500 000	500 000
Conditions met - transferred to revenue	(500 000)	(800 000)
	<u>-</u>	<u>-</u>
Capital Grants		
Balance unspent at beginning of year	34 691 715	13 132 745
Current-year receipts	139 540 869	148 333 181
Conditions met - transferred to revenue	(165 737 865)	(131 654 445)
Other	1 449 005	4 880 234
	<u>9 943 724</u>	<u>34 691 715</u>
Conditions still to be met - remain liabilities (see note 17).		
Services in kind		
The municipality received services in kind under voluntary or non voluntary schemes which included free training, workshops, cleaning services and technical assistance from government departments and entities. These services have not been recognised as they were assessed not to be significant to the municipality's operations and/or basic service delivery objectives. The cost and fair value of these services in-kind could also not be measured reliably.		
28. Fines, penalties and forfeits		
Damaged meters	351 004	324 502
Library	50 199	51 621
Traffic fines	36 336 704	110 486 243
Retentions	502 380	1 115 217
	<u>37 240 287</u>	<u>111 977 583</u>
29. Employee related costs		
Basic	168 799 409	152 026 660
Group life insurance	2 741 959	2 514 158
Bonus	13 354 179	11 715 294
Medical aid contributions	23 172 576	21 417 454
Unemployment Insurance Fund	1 640 570	1 605 131
Service Related Benefits	22 889 541	23 989 407
Travel and car allowances	7 843 996	7 521 227
Overtime payments	18 536 520	16 819 957
Acting allowances	1 785 975	1 164 598
Housing benefits and allowances	1 975 262	1 533 555
Other Allowances	8 752 216	7 928 136
Contribution to employee benefits	29 972 937	27 148 395
	<u>301 465 140</u>	<u>275 383 972</u>

* See note 50



BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Notes to the Annual Financial Statements

	2019	2018 Restated*
29. Employee related costs (continued)		
Municipal Manager: D Mc Thomas		
Annual Remuneration	1 508 758	1 454 194
Car Allowance	124 008	95 000
Performance Bonuses	225 617	124 277
Contributions to UIF, Medical and Pension Funds	50 933	48 236
Group life insurance	16 829	16 244
	1 926 145	1 737 951
Financial Officer: R Ontong		
Annual Remuneration	1 016 809	911 731
Car Allowance	151 326	236 514
Performance Bonuses	184 441	29 028
Contributions to UIF, Medical and Pension Funds	205 317	180 928
Group life insurance	17 082	15 317
	1 574 975	1 373 518
Director - Technical Services: J Steyn		
Annual Remuneration	1 148 579	1 209 752
Car Allowance	240 000	120 000
Performance Bonus	184 441	14 514
Contributions to UIF, Medical and Pension Funds	1 955	2 125
	1 574 975	1 346 391
Director - Strategic Support Service: R Esau		
Annual Remuneration	991 057	928 183
Car Allowance	168 000	168 000
Performance Bonus	184 441	114 037
Contributions to UIF, Medical and Pension Funds	231 477	223 379
Group life insurance	16 316	15 250
Acting Allowance	46 985	-
	1 638 276	1 448 849
Director - Community Service: J Marthinus		
Annual Remuneration	18 157	1 034 819
Car Allowance	2 401	120 037
Performance Bonuses	-	-
Contributions to UIF, Medical and Pension Funds	7 388	233 574
Leave	86 083	-
	114 029	1 388 430

The contract of Mr.J.Marthinus expired as Community Service Director on 6 July 2018. Mr.R. Esau acted as Community Service Director during the period that the post was vacant.

* See note 50



BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Notes to the Annual Financial Statements

	2019	2018 Restated*
29. Employee related costs (continued)		
Community Service Director: S. Swartz		
Annual Remuneration	646 564	-
Car Allowance	144 000	-
Performance Bonuses	-	-
Contributions to UIF, Medical and Pension Funds	107 379	-
Group life insurance	9 076	-
	907 019	-

Mr S. Swartz was appointed as Community Service Director on 1 October 2018.

Employee costs as percentage of total expenditure for 2019 is 31.45% (2018: 28.37%). The industry norm is between 30-35%. This figure excludes the remuneration of councillors, as disclosed in note 29 to the Financial Statements.

The remuneration of the employees is within the upper limits of the SALGA Bargaining Council determinations.

30. Remuneration of councillors

Executive mayor	776 603	749 055
Deputy Executive Mayor	620 527	602 204
Chief whip	545 371	528 513
Speaker	622 330	597 682
Mayoral committee members	4 698 813	4 131 864
Councillors	8 633 682	8 624 090
Councillors pension contribution	1 516 148	1 475 921
Councillors medical aid contribution	261 200	181 511
	17 674 674	16 890 840

Remuneration of Councillors:

The remuneration of the political office-bearers and councillors are within the upper limits as determined by the framework envisaged in section 219 of the Constitution.

Executive Mayor	Salary	Allowances	Pension fund and Medical Aid	Total
A Steyn	636 342	140 261	127 268	903 871
Deputy Executive Mayor				
JD Levendal	557 238	63 289	111 448	731 975
Speaker				
NP Mecuur	548 225	74 105	109 645	731 975
Chief Whip				
Goedeman	463 446	81 925	143 632	689 003

* See note 50



BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Notes to the Annual Financial Statements

	2019		2018 Restated*	
30. Remuneration of councillors (continued)				
Mayco Members				
R Farao	507 256	80 296	101 451	689 003
JP Kritzinger	531 256	51 496	106 251	689 003
SJ Mei	542 356	80 896	65 751	689 003
WR Meiring	530 802	52 041	106 160	689 003
M Sampson	469 783	106 216	110 633	686 632
EY Sheldon	513 256	55 816	119 931	689 003
JF Van Zyl	483 256	109 096	96 651	689 003
JJ Von Willingh	479 285	105 706	47 466	632 457
	4 057 250	641 563	754 294	5 453 107
Councillors				
MN Bushwana	210 807	89 772	15 811	316 390
EN Isaacs	229 308	64 190	22 892	316 390
C Ismail	226 618	89 772	-	316 390
N Ismail	271 990	44 400	-	316 390
JR Jack	252 929	46 066	17 395	316 390
J Jafta	253 014	44 400	18 976	316 390
P Langata	253 014	44 400	18 976	316 390
ZM Mangali	253 014	44 400	18 976	316 390
T Maridi	253 014	44 400	18 976	316 390
P Maran	197 986	78 430	-	276 416
ESC Matjan	257 604	48 181	10 605	316 390
SM Mkhawane	253 014	44 400	18 976	316 390
VI Mngcele	253 014	44 400	18 976	316 390
CM Mohobo	253 014	44 400	18 976	316 390
N Nel	304 345	72 166	16 944	393 455
A Pietersen	244 505	53 547	18 338	316 390
PC Ramokhabi	228 380	44 400	43 610	316 390
J Robinson	253 014	44 400	18 976	316 390
IL Tshabile	234 055	64 781	17 554	316 390
P Tyira	226 618	89 772	-	316 390
K Van der Horst	20 274	3 700	1 521	25 495
E van der Westhuizen	228 587	53 454	34 349	316 390
W Vrolick	253 014	44 400	18 976	316 390
J Von Willingh	18 633	5 463	1 397	25 493
TM Wehr	226 618	89 772	-	316 390
NP Williams	240 958	44 400	31 032	316 390
MT Williams	212 740	44 400	59 250	316 390
CF Wilskut	253 014	44 400	18 976	316 390
NJ Wullschleger	253 014	44 400	18 976	316 390
MR Jacobs (Solomons)	253 014	44 400	18 976	316 390
LG Willemse	174 525	30 568	12 651	217 744
	7 043 648	1 590 034	531 061	9 164 743

* See note 50



BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Notes to the Annual Financial Statements

	2019	2018 Restated*
31. Debt impairment		
Impairments		
Receivables from exchange transactions	28 996 745	27 480 552
Receivables from non-exchange transactions	33 899 030	84 764 327
	62 895 775	112 244 879
32. Depreciation and amortisation		
Property, plant and equipment	87 556 677	84 610 284
Amortisation: Intangible assets	294 057	439 112
Impairment	70 345	-
	87 921 079	85 049 396
33. Bulk purchases		
Electricity	281 236 011	261 541 414
Water	6 069 184	3 279 659
	287 305 195	264 821 073
34. Finance costs		
External borrowings	24 682 411	26 038 600
35. Contracted services		
Consultants and Professional services		
Accounting and Auditing	3 248 254	8 229 640
Audit Committee	115 040	103 332
Geodetic Control and Surveys	-	38 410
Human Resources	720 544	99 368
Issue of Summons	-	355 586
Legal Advice and Litigation	1 338 307	711 865
Medical Examinations	22 597	25 457
Research and advisory	682 801	50 370
Valuer and Assessors	-	37 219
Laboratory Services	31 830	40 312
Infrastructure and Planning	714 038	-
	6 873 411	9 691 559

* See note 50



BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Notes to the Annual Financial Statements

	2019	2018 Restated*
35. Contracted services (continued)		
Outsourced Services		
Administrative and Support Staff	224 965	215 095
Alien Vegetation Control	491 404	-
Animal Care	-	100 000
Burial Services	535 754	709 269
Business and Advisory	325 252	-
Commissions and Committees	-	4 596
Call Centre	36 000	-
Catering Services	289 496	81 632
Clearing and Grass Cutting Services	801 145	-
Cleaning Services	1 696	15 840
Drivers Licence Cards	671 974	773 726
Litter Picking and Street Cleaning	2 423 113	782 000
Hygiene Services	314 464	195 970
Meter Management	385 170	515 500
Personnel and Labour	15 184 878	17 536 035
Refuse Removal	1 514 516	1 547 673
Sewerage Services	2 057 857	-
Security Services	447 862	5 156 343
Translators Scribes and Editors	80 434	126 985
Traffic Fines Management	-	961 449
Valuer	396 973	517 923
Veterinary Services	2 365	1 230
Transport Services	122 600	166 612
	26 307 918	29 407 878
Contractors		
Catering Services	4 000	178 335
Electrical Services	6 995 517	5 548 451
Employee Wellness	747	254 330
Event Promoters	1 004 311	12 582
Gardening Services	67 220	5 040
Graphic Designers	117 465	-
Maintenance of Buildings and Facilities	5 563 584	13 450 182
Maintenance of Equipment	5 314 437	9 560 275
Maintenance of Unspecified Assets	10 970 356	21 884 758
Medical Services	106 362	38 254
Municipal services	-	-
Pest Control and Fumigation	8 000	-
Plants Flowers and Other Decorations	41 521	7 565
Prepaid Electricity Vendors	737 481	-
Tracing Agents and Debt Collectors	85 100	13 580
Transportation	8 460	-
Safeguard and Security	8 002 472	7 857 098
Sewerage Services	25 000	87 719
Forestry	9 500	-
	39 061 533	58 898 169
	72 242 862	97 997 606
36. Grants and subsidies paid		
Grants and subsidies	16 316 998	12 806 720

* See note 50



BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Notes to the Annual Financial Statements

	2019	2018 Restated*
37. Operational cost		
Achievements and Awards	224 178	86 521
Advertising, Publicity and Marketing	1 331 940	2 640 315
Assets less than the Capitalisation Threshold	161 897	-
Drivers Licences and Permits	14 787	15 543
Bank Charges	849 480	1 377 345
Bargaining Council	108 983	99 510
Cleaning services	113 611	134 590
Commission	5 638 090	5 091 959
Communication - Postage/Stamps	1 037 813	1 095 955
Communication - Telephone and fax	2 722 878	3 293 674
Courier and Delivery Services	5 073	1 095
Entertainment	144 086	223 729
External Audit Fees	4 551 118	3 935 478
External Computer Service	5 170 541	4 244 140
Resettlement Cost	45 329	-
Full Time Union Representative	201 173	169 519
Hire Charges	4 387 903	4 197 420
Insurance (Premiums)	3 822 012	2 772 803
Insurance (excess payments)	304 148	1 015 464
Learnerships and Internships	2 842 749	951 354
Licences (Radio and Television)	84 193	35 568
Motor Vehicle Licence and Registrations	699 100	588 530
Municipal Activities	18 350	1 003 941
Municipal Services	1 588 478	1 700 657
Printing Publications and Books	126 295	76 485
Professional Bodies Membership and Subscription	3 218 302	2 960 302
Provisions for rehabilitation of landfill sites	3 751 786	4 960 906
Registration fees	238 423	1 169 910
Remuneration to Ward Committees	447 335	410 400
Ward Committee Activities	-	2 016 496
Protective clothing	1 340 291	1 280 785
Rewards Incentives	4 300	103 868
Skills Development Fund Levy	3 071 251	2 757 964
Travel and Subsistence	671 734	1 259 076
Water Resource Management Charges	1 549 044	3 317 435
Workmen's Compensation Fund	1 552 247	1 388 562
Bursaries	707 708	398 598
System Access and Information Fees	48 287	-
Signage	6 512	-
	52 801 425	56 775 897
38. Fair value adjustments		
Fair value adjustment on investment property	15 204 675	767 500
Other financial assets		
• Discounting of long term receivables: Movement for the year	1 901 088	1 646 259
	17 105 763	2 413 759

* See note 50



BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Notes to the Annual Financial Statements

	2019	2018 Restated*
39. Service related benefits		
Performance Bonus	947 787	753 012
Post retirement medical aid benefit	1 630 000	(766 000)
Long service awards	3 291 584	3 021 413
Provision for leave payments	3 833 793	3 946 280
Provision for 13th cheques	817 333	405 253
Actuarial gain/(loss)	12 369 045	16 629 449
	22 889 542	23 989 407
40. Cash generated from operations		
Surplus	158 804 164	105 231 279
Adjustments for:		
Depreciation, amortisation and impairment	87 921 077	85 049 396
Loss/ (Profit) on sale of assets and liabilities	(2 963 506)	95 087
Fair value adjustments	(17 105 763)	(2 413 759)
Operating lease straight lining	-	(457 993)
Finance income	(703 847)	(363 089)
Debt impairment	62 895 775	112 244 879
Actuarial gain/loss	(12 369 045)	(16 629 449)
Movements in retirement benefit assets and liabilities	28 829 913	29 784 547
Movements in provisions	3 936 206	-
Rehabilitation	120 552	4 960 905
Donated assets	(31 000)	(1 999 827)
Other non-cash items	(758 949)	1 226 167
Changes in working capital:		
Inventories	1 919 033	(10 733 691)
Receivables from exchange transactions	(45 977 879)	(24 528 163)
Receivables from non-exchange transactions	(27 532 218)	(94 310 605)
Other receivables from non exchange	22 294 373	(18 596 093)
Payables from exchange transactions	(9 478 481)	6 585 380
VAT receivable	12 797 299	(10 427 210)
Unspent conditional grants and receipts	(26 171 198)	19 108 664
Employee benefit obligation	(10 463 251)	(9 158 381)
	225 963 255	174 668 044

* See note 50



BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Notes to the Annual Financial Statements

	2019	2018 Restated*
41. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
• Infrastructure	<u>27 626 385</u>	<u>60 657 384</u>
Total capital commitments	<u>27 626 385</u>	<u>60 657 384</u>
All capital commitments exclude VAT		
This committed expenditure relates to infrastructure and will be financed through external loans, reserves and grants.		
This Expenditure will be financed from:		
External loans	-	1 641 611
Government grant	1 834 354	57 334 597
Capital replacement reserve	25 792 031	1 681 176
	<u>27 626 385</u>	<u>60 657 384</u>
Operating leases - as lessor (income)		
Minimum lease payments due		
- within one year	1 572 706	1 186
- in second to fifth year inclusive	1 689 736	93 068
- later than five years	78 026	199 970
	<u>3 340 468</u>	<u>294 224</u>

Certain of the municipality's property are held to generate rental income. The escalation clauses for the lease income varies between 5% to 10%. Payments received under operating leases are recognised in the statement of financial performance on a straight-line basis over the period of the lease. The straight lining of leases resulted in increased current year income of R 162 997 (2018: decrease R 65 932).

* See note 50



BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Notes to the Annual Financial Statements

	2019	2018 Restated*
42. Contingent liabilities		
Guarantees		
Guarantee Eskom (Nedbank)	63 400	63 400
Guarantee South Africa Post Office Limited (Nedbank)	120 000	120 000
	183 400	183 400
Legal Matters		
Worcester Land Trust/BVM Case No.3168/6- Contractual claim against the municipality	31 037 841	31 037 841
Workmens Compensation Act- Current investigation about a dispute regarding an outstanding amount due by Council	1 646 110	1 646 110
Public Liability Insurance claims based on quotations and could result in a lesser amount or more. It is the view of management that it is unlikely that these claims will be payed out but might realise due to past experiences.	6 504 443	5 045 113
Claims for damages- it is the view of management that it is unlikely that these claims will be payed out but might realise due to past experiences.	85 853	91 154
ASLA- Claim in respect of housing projects	-	1 100 000
Kleinplasia rental- Izak Joubert	-	831 968
	39 274 247	39 752 186

43. Related parties

Awards and payments to persons with relatives in the service of Breede Valley Municipality :

1. DJ X-Zito - Xolile Vas (Spouse/Husband of Nonthando Vas-Employee Number 11028) Nonthando Vas is an Typist/Clerk - Human Resources Department within the Strategic Support Services Directorate of the Breede Valley Municipality	28 750	13 090
2. Lee-Handro Enterprises - Sheryl Manuel (Spouse/Wife of William Manuel-Employee Number 3431) William Manuel is a General worker - Public Works,Buildings & Structure at the Breede Valley Municipality	70 600	38 500
3. NE Mayeki Taxi's - Nombulelo Mayeki (Parent/Mother of G Simpiwe Mayeki-Employee Number 11042) Simpiwe Mayeki is the Manager-Human Settlements - Community Services at the Breede Valley Municipality	-	2 250
4. T H Traders - Trevor Human (Brother of Deon Human-Employee Number 3538) // (Spouse/Husband of Ashlin Human) Deon Human is a Storeman - Public Works & Parks at the Breede Valley Municipality Ashlin Human is an Accountant - Witzenberg Municipality	113 370	48 200
5. T.S Bushwana Taxis - Thamsanqa Bushwana (Father of Letitia Bushwana) Letitia Bushana is a Clerk at the credit control section within the Breede Valley Municipality	24 000	27 300
6. Golimas Pty Ltd- Goliath Jacobs (Parent/Father of Brumilda Jacobs -Employee Number 2266) Brumilda Jacobs is an Intern - Internal Audit (Office of the Municipal Manager) at the Breede Valley Municipality	51 200	85 575
7. Touwsrivier Civil Construction - Ernest Lottering (brother of Ivan Lottering)Ivan Lottering is employed as a General Worker at cemeteries within the Breede Valley Municipality	26 850	91 558
8. Saadia Neethling Catering Services - Saadia Neethling (Sister to Yusuf Esau) Yusuf Esau is employed by the Breede Valley Municipality as a carpenter	18 500	-
9. April Boukontrakteur - Megan Wehr (sister to Allen Swarts) Allen Swarts is employed by the Breede Valley Municipality as a plumber	213 846	-
10.CJ Construction - Channelle Jaftha (spouse of JP Jaftha) JP Jaftha is a councillor for the the Breede Valley Municipality	30 000	-

* See note 50



BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Notes to the Annual Financial Statements

	2019	2018 Restated*
43. Related parties (continued)		
11. Hexvallei Sekuriteit - Marius Pheiffer (spouse of Marinda Pheiffer) Marinda Pheiffer is a senior clerk (income) at the Breede Valley Municipality	52 350	-
	629 466	306 473
Awards and payments to persons with relatives in the service of other Municipalities:		
12. Kemanzi (Pty) Ltd - Hazel Du Toit (Wife of Jeremy Du Toit) Jeremy Du Toit is employed by the City of Cape Town as a Traffic Inspector	580 751	409 020
13. Vuyani Electrical Supplies cc - Julia Aghulas (mother of Marvin Aghulas) Marvin Aghulas is employed by the City of Cape Town as an Electrician	-	156 484
14. Excellence Bodyworks - Ndudumo Elliot Fonk (Father of N.P. Memani) N.P. Memani is employed at Bitou Municipality	4 626	7 080
15. Engineering Advise and Services cc - Anton Westerberg (a brother to Shaun and Mark Westerberg) Shaun and Mark are employed by the Buffalo City and Mossel Bay Municipalities, respectively	80 995	-
16. Gryde Enterprise - Cecilia Cook (mother of Jowin Cook)	6 550	-
17. Donmic Construction and Forestry (Pty) Ltd - Donovan Thomas (spouse to Michelle Thomas) Michelle Thomas is a cashier at Theewaterskloof Municipality	231 811	-
	904 733	572 584
Awards and payments to persons with relatives in other State Departments		
18. Conradie Incorporated - Andries Francois Conradie (husband of Tara Conradie). Tara Conradie is an employee in the Western Cape Education Department.	-	463 153
19. Ikapa Reticulation and Flow - Randall Davids (Husband of Sophia Davids). Sophia Davids is an employee in the Western Cape Education Department	214 338	601 065
20. SUCCIDO Enterprises (Pty) Ltd - Iram Kram (Wife of Lesley Kram) Lesley Kram is an employee at Transnet.	-	125 856
21. CS Traffic Engineering and Consulting Services - Charles Schroeder (Brother of John Schroeder) John Schroeder is an Officer at Parliament	4 980	179 906
22. Mvambane Tradings CC - Anna Nomvula Mooi (Parent/Mother of Luyanda Mooi) Luyanda Mooi is the Correctional Officer in the Department of Correctional Services	-	23 500
23. Faibriges Wertheim Becker - Adela Petersen (Sister to Shaheed Hoofmeester) Shaheed Hoofmeester is employed by the Department of Education	183 878	214 577
24. HNS Technologies - Marthinus Scheffers (Father to Linzi Petersen) Linzi Petersen is employed by the WCED as an Educator	28 700	-
25. Alpha Civil - F. James (Husband of Priscilla James) F. James is a principal at WCED: Eden Training Centre	-	280 293
26. Masiqhame Trading 77cc - Sandile Gxilishe (father of Simpiwe Gxilishe) Simpiwe Gxilishe is an Educator at the WCED	80 434	-
27. Sannicare cc - Izak Majiet (father of Charlton Majiet) Charlton Majiet is employed by the Department of Transport as a supervisor (Test Stations)	543 381	-
28. Casella Holdings - Nadine Solomons (sister to Bianca Crowder) Bianca Crowder is employed by the EMS Metro as an Ambulance Driver	23 902	-
29. Mpumamanzi Group - Caroline Bowers (daughter of Rosslyn Bowers) Rosslyn Bowers is a Social Worker at the Western Cape Government	90 321	-
	1 169 934	1 888 350

The total related party payments for the year amounts to R 2 704 133 (2018: R 2 767 407)

44. Unauthorised and fruitless and wasteful expenditure

No fruitless and wasteful expenditure was incurred during the financial year ended 30 June 2019.

* See note 50



BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Notes to the Annual Financial Statements

Figures in Rand

45. Unauthorised expenditure

No unauthorised expenditure was incurred during the financial year ended 30 June 2019.

46. Irregular expenditure

No irregular expenditure was incurred during the financial year ended 30 June 2019.

Opening balance	-	54 825
Less: Amounts condoned	-	(54 825)
	-	-

Analysis of expenditure awaiting condonation per age classification

47. Deviation from supply chain management regulations

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the Accounting Officer and noted by Council.

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the Accounting Officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them in the next council meeting and includes a note to the annual financial statements.

During the financial year under review goods/services totalling R23 726 505 (2018: R15 655 344) were procured and the process followed in procuring those goods/services deviated from the provisions of paragraph 12(1)(d)(i) as stated above. The reasons for these deviations were documented and reported to the Accounting Officer that considered them and subsequently approved the deviation from the normal supply chain management regulations. The reasons were categorised as sole suppliers, emergency, exceptional and impractical cases as well as special work of art.

A detailed list of deviations is disclose in Appendix J and available on the municipality's website.

Deviations for year

Emergencies	170 739	718 633
Sole provider	67 791	385 727
Impractical or impossible to follow the SCM process	23 487 975	14 536 484
Special work of art	-	14 500
	23 726 505	15 655 344

48. Material losses

Water distribution losses

Units supplied	13 317 770	12 569 124
Units sold	(11 135 455)	(10 802 841)
	2 182 315	1 766 283

Electricity distribution losses

Units bought	302 916 313	300 068 505
Units sold	(281 171 282)	(280 162 315)
	21 745 031	19 906 190

* See note 50



BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Notes to the Annual Financial Statements

Figures in Rand

48. Material losses (continued)

Percentage loss in distribution

Water distribution losses	16,39%	14,05%
Electricity distribution losses	7,18%	6,63%

49. Change in estimate

Property, plant and equipment

Property, plant and equipment: A review of useful lives was done on assets. During the review, certain infrastructure, buildings, motor vehicles and other property plant and equipment with R nil book values and nil remaining lives were identified. The municipality's management considered how to account for the change in the estimated useful lives. The effect of a change in accounting estimate is required to be recognised prospectively by including it in surplus or deficit in the period of the change, if the change effects that period only; or the period of the change in future periods, if the change effects both. Management concluded that it should apply the change in estimate prospectively from the start of 2019 and therefore the depreciation charge was applied prospectively from 1 July 2018 over the remaining useful life of these assets.

	2018 R	2019 R	2020 R
Decrease/(Increase) in depreciation on other assets for the year	229 438	189 661	50 425
Decrease/(Increase) in depreciation on infrastructure for the year	645 907	(126 955)	(135 701)
Decrease/(Increase) in depreciation on intangibles for the year	79 406	(14 588)	(14 588)
	954 751	48 118	(99 864)

The effect on the current year is to increase the carrying amount of property, plant and equipment by R 954 751 and decrease the depreciation expense by R 954 751 .

50. Prior Period Errors

Due to incorrect accounting treatment of the following financial transactions the figures of the prior year had to be restated:

Error 1: Payment to Salga was incorrectly classified.

Error 2: Incorrect estimation of the total rand value of unused prepaid electricity at year end.

Error 3: Interest on investments and long term loans have not been capitalised.

Below is a summary of the total effect of prior period errors and reclassifications of comparative figures as previously disclosed in the annual financial statements, followed by a descriptions of each individual prior period error and reclassification with the amounts involved.

Statement of financial performance Revenue	Balance as previously reported	Prior period error	Reclassified	Total
Service Charges	508 435 906	(208 995)	-	508 226 911
Sales of goods and rendering of services	4 225 193	-	-	4 225 193
Income from agency services	7 630 035	-	-	7 630 035
Licenses	3 108 413	-	-	3 108 413
Rental income	8 284 679	-	-	8 284 679
Operational revenue	4 021 130	-	-	4 021 130
Finance Income	21 187 618	-	-	21 187 618
Property rates	125 006 332	-	-	125 006 332
Property rates - penalties imposed and collection	1 469 544	-	-	1 469 544
Government grants and subsidies	261 857 590	-	-	261 857 590
Fines, penalties and forfeits	111 977 583	-	-	111 977 583
	1 057 204 023	(208 995)	-	1 056 995 028

* See note 50



BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Notes to the Annual Financial Statements

Figures in Rand

Expenses				Total
Employee related cost	(276 664 757)	-	1 280 785	(275 383 972)
Remuneration of councillors	(16 890 840)	-	-	(16 890 840)
Debt impairment	(112 244 879)	-	-	(112 244 879)
Depreciation, amortisation and impairment	(85 049 396)	-	-	(85 049 396)
Bulk purchases	(264 821 073)	-	-	(264 821 073)
Finance cost	(26 038 600)	-	-	(26 038 600)
Contracted services	(97 997 608)	2	-	(97 997 606)
Grants and subsidies paid	(12 806 720)	-	-	(12 806 720)
Inventory consumed	(13 188 690)	-	-	(13 188 690)
Operating leases	(9 354 438)	-	-	(9 354 438)
Operational cost	(58 511 033)	3 015 921	(1 280 785)	(56 775 897)
	(973 568 034)	3 015 923	-	(970 552 111)

				Total
Operating (deficit)/surplus	83 635 989	2 806 928	-	86 442 917
Actuarial gains/(losses)	16 629 449	-	-	16 629 449
Fair value adjustments	2 413 759	-	-	2 413 759
Loss on disposal of assets	(95 087)	-	-	(95 087)
Inventory losses	(159 757)	-	-	(159 757)
	102 424 353	2 806 928	-	105 231 281

Statement of financial position Current assets	Balance as previously reported	Prior period error	Reclassified	Total
Inventory	14 955 629	-	-	14 955 629
Vat receivable	13 708 021	-	-	13 708 021
Receivables from exchange transactions	78 289 157	-	-	78 289 157
Receivables from non exchange transactions	43 705 972	-	-	43 705 972
Other receivables from non exchange transactions	26 636 768	(924 809)	-	25 711 959
Short term investments	45 000 000	924 809	-	45 924 809
Long term receivables	551 437	-	-	551 437
Cash and Cash Equivalents	105 450 738	-	-	105 450 738
	328 297 722	-	-	328 297 722

Non-current assets				Total
Investment property	21 785 500	-	-	21 785 500
Property, plant and equipment	2 028 331 634	-	-	2 028 331 634
Intangible assets	4 654 969	-	-	4 654 969
Heritage assets	36 631 059	-	-	36 631 059
Long term receivables	4 312 831	-	-	4 312 831
	2 095 715 993	-	-	2 095 715 993

* See note 50



BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

Notes to the Annual Financial Statements

Figures in Rand

				Total
Current liabilities				
Payables from exchange transactions	108 931 690	(9 160 465)	-	99 771 225
Consumer deposits	3 912 159	-	-	3 912 159
Unspent conditional grants and receipts	47 472 305	-	-	47 472 305
Long term liabilities	9 427 059	6 353 539	-	15 780 598
Employee benefit obligation	33 676 948	-	-	33 676 948
Provisions	1 219 978	-	-	1 219 978
	204 640 139	(2 806 926)	-	201 833 213
Non-current liabilities				
Long term liabilities	214 291 004	-	-	214 291 004
Employee benefit obligation	150 805 101	-	-	150 805 101
Provision	81 473 049	-	-	81 473 049
	446 569 154	-	-	446 569 154
Nett Asset Restatement				
	Previously Reported	Prior Period Error	Reclassified	Total
Accumulated surplus previously reported	1 772 804 420	2 806 928	-	1 775 611 348
	Previously Reported	Prior Period Error	Reclassified	Restated Balance
Restated Balance 1 July 2017	1 669 153 898	-	-	1 669 153 898
Net income directly recognised	1 226 169	-	-	1 226 169
Surplus previously reported	102 424 353	2 806 928	-	105 231 281
Salga expense recognised in wrong financial year	-	3 015 921	-	-
Rounding differences	-	2	-	-
Prepaid Electricity incorrectly recognised	-	(208 995)	-	-
	1 772 804 420	2 806 928	-	1 775 611 348
	Previously Reported	Prior Period Error	Reclassified	Total
Restated balance 1 July 2019	1 775 611 348	-	-	1 775 611 348

Due to the changes as reflected above in the Statement of Financial Performance and Statement of Financial Position, this resulted in the cashflow statement also to be restated. Please refer to details of each reclassification below for the nature and impact of the reclassification.

* See note 50



BREED VALLEY MUNICIPALITY

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Cash Flow Statement	Balance as previously reported	Prior period error	Reclassified	Total
Cash flows from services and rate payers	626 598 102	715 816	-	627 313 918
Cash flows from government and other grants	278 966 428	-	-	278 966 428
Finance income:investing activities	20 824 529	-	-	20 824 529
	926 389 059	715 816	-	927 104 875
Payments				Total
Cash paid to employees	(272 929 434)	1 280 786	-	(271 648 648)
Cash paid to suppliers	(434 517 533)	(7 425 329)	-	(441 942 862)
Finance costs	(26 038 600)	-	-	(26 038 600)
Grants paid	(12 806 720)	-	-	(12 806 720)
	(746 292 287)	(6 144 543)	-	(752 436 830)
Cash flows from investing activities				Total
Purchase of property, plant and equipment	(199 022 483)	-	-	(199 022 483)
Proceeds from sale of property, plant and equipment	31 101	-	-	31 101
Long term receivables	3 735 550	-	-	3 735 550
Increase/ decrease in investment	45 000 000	(924 809)	-	44 075 191
	(150 255 832)	(924 809)	-	(151 180 641)
Cash flows from financing activities				Total
Repayment of long term liabilities	(17 199 997)	6 353 539	-	(10 846 458)
Movement in consumer deposits	231 645	-	-	231 645
	(16 968 352)	6 353 539	-	(10 614 813)
Net increase/(decrease) in cash and cash equivalents	12 872 588	-	-	12 872 588
Cash and cash equivalents at the beginning of the year	92 578 150	-	-	92 578 150
	105 450 738	-	-	105 450 738

Protective Clothing previously classified as Employee related cost to the amount of R 1 280 785 are reclassified to be disclosed as Operational Cost.

* See note 50

BREEDE VALLEY MUNICIPALITY

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51. Financial instruments disclosure

Categories of financial instruments

2019

Financial assets

	At amortised cost	Total
Cash and cash equivalents	94 866 840	94 866 840
Receivables from exchange transactions	97 322 163	97 322 163
Receivables from non- exchange transactions	697 313	697 313
Other receivables from non- exchange transactions	2 779 262	2 779 262
Long term receivables	3 685 738	3 685 738
Short term investments	15 220 962	15 220 962
	214 572 278	214 572 278

Financial liabilities

	At amortised cost	Total
Long term Liabilities	220 375 643	220 375 643
Consumer deposits	4 083 339	4 083 339
Payables from exchange transactions	83 379 415	83 379 415
Unspent conditional grants	21 301 107	21 301 107
	329 139 504	329 139 504

Statutory receivables

	At amortised cost	Total
Rates	13 121 719	13 121 719
Fines	19 732 690	19 732 690
	32 854 409	32 854 409

2018

Financial assets

	At amortised cost	Total
Cash and cash equivalents	105 450 738	105 450 738
Receivables from exchange transactions	78 289 157	78 289 157
Receivables from non- exchange transactions	612 313	612 313
Other receivables from non- exchange transactions	4 595 349	4 595 349
Long term receivables	4 864 268	4 864 268
Short term investments	45 924 809	45 924 809
	239 736 634	239 736 634

* See note 50



BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

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51. Financial instruments disclosure (continued)

Financial liabilities

	At amortised cost	Total
Long term Liabilities	230 071 602	230 071 602
Consumer deposits	3 912 159	3 912 159
Payables from exchange transactions	95 460 247	95 460 247
Unspent conditional grants	47 472 305	47 472 305
	376 916 313	376 916 313

Statutory receivables

	At amortised cost	Total
Rates	11 888 445	11 888 445
Fines	31 205 214	31 205 214
	43 093 659	43 093 659

Financial instruments in Statement of financial performance

52. Risk management

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities. Prudent liquidity risk management implies maintaining sufficient cash and investments, the availability of funding for service delivery through effective budgeting and availability of credit facilities. The municipality manages its risks through effective and efficient budgeting and credit control. The liquidity risk is thus limited.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the municipality's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances as the impact of discounting is not significant.

At 30 June 2019	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	83 379 415	-	-	-
Consumer deposits	4 083 339	-	-	-
Long term liabilities	16 494 543	11 701 644	43 767 993	148 411 463
Unspent conditional grants	21 301 107	-	-	-
	125 258 404	11 701 644	43 767 993	148 411 463

At 30 June 2018	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	95 460 247	-	-	-
Consumer deposits	3 912 159	-	-	-
Long term liabilities	15 780 598	10 409 904	39 278 191	164 602 909
Unspent conditional grants	47 472 305	-	-	-
	162 625 309	10 409 904	39 278 191	164 602 909

* See note 50



BREEDE VALLEY MUNICIPALITY

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52. Risk management (continued)

Credit risk

Credit risk is managed by debt collection department. The credit risks, rates and consumer receivables, are managed in terms of the credit control and debt collection as well as the indigent relief policies.

Credit risk consists mainly of cash deposits, cash equivalents and receivables. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Receivables comprise a widespread customer base. Management evaluated credit risk relating to receivables on an ongoing basis. If receivables are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the receivable, taking into account past experience with the client's payment rate. Sales to customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument		
Receivables from exchange transactions	97 322 163	78 289 157
Receivables from non-exchange transactions	697 313	612 313
Other receivables from non exchange transactions	2 779 262	4 595 349
Long term receivables	3 685 739	4 864 268
Short term investments	15 220 962	45 924 809
Cash and cash equivalents	94 866 840	105 450 739
	<u>214 572 279</u>	<u>239 736 635</u>

Market risk

Interest rate risk

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

A potential interest rate risk may arise from the short term deposits, cash and cash equivalents, consumer receivables, other receivables and long term receivables.

The short term deposits and cash and cash equivalents has limited exposure as the municipality interacts with well-established financial institutions of high credit standing. The investments are further of a short term nature.

Consumer receivables comprise of receivables dispersed over a large geographical area. The receivables are constantly analysed and evaluated for their financial condition. Receivables are disclosed net of the allowance for impairment. Where the accounts of the receivables become in arrears, they are collected through the levying of a penalty, the charging of interest at prime or the handing over for collection.

Long term receivables comprise mainly of the deferred consumers which shown at a fair value. The remaining long term receivables if required are charged interest at a fixed rate. The long term receivables are evaluated annually for impairment.

The municipality's has a low interest rate risk as a long-term borrowing are made on fixed interest rates.

As the municipality has no long term variable rate financial instruments no sensitivity analysis is required at year end.

Price risk

The municipality is not exposed to price risk.

* See note 50



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53. In-kind donations and assistance

In-kind donations, in the form of assets, to the value of R31 000 have been received by the Municipality during the 2018/19 financial year.

54. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

55. Events after the reporting date

No non-adjusting events have occurred after the reporting date.

56. Additional disclosure in terms of Municipal Finance Management Act

Municipal bank accounts

Bank statement balances	30 June 2019	30 June 2018	30 June 2017
ABSA Bank - Worcester Branch Cheque Account	-	82 833 362	100 181 392
Nedbank - Worcester Branch Cheque Account	97 491 252	31 524 496	-
	97 491 252	114 357 858	100 181 392

Cash book balances	30 June 2019	30 June 2018	30 June 2017
	94 853 665	105 436 928	92 546 325

Membership fees: SALGA

Current year subscription / fee		3 128 922	2 875 930
Amount paid - current year		(3 128 922)	(2 875 930)
		-	-

Audit fees

Opening balance		-	-
Current year subscription / fee		4 551 118	3 935 478
Amount paid - current year		(4 551 118)	(3 935 478)
		-	-

PAYE and UIF

Opening balance		3 195 983	3 013 844
Current year subscription / fee		43 646 174	38 086 308
Amount paid - current year		(40 023 780)	(34 890 326)
Amount paid - previous years		(3 195 983)	(3 013 843)
		3 622 394	3 195 983

* See note 50



BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

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56. Additional disclosure in terms of Municipal Finance Management Act (continued)

Pension and medical aid deductions

Opening balance	(203 073)	(213 485)
Current year subscription / fee	86 443 413	78 564 047
Amount paid - current year	(86 081 118)	(78 767 120)
Amount paid - previous years	203 073	213 485
	<u>362 295</u>	<u>(203 073)</u>

VAT

VAT receivable	<u>910 722</u>	<u>13 708 021</u>
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All VAT returns have been submitted by the due date throughout the year.

Councillors' arrear consumer accounts

As at 30 June 2019 there were no Councillors with arrear consumer accounts outstanding for more than 90 days.

Supply chain management regulations

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the Council. The expenses incurred as listed hereunder have been condoned.

A detailed list of deviations is in Appendix J available and on the municipality's website.

* See note 50

BREED VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2019

EXTERNAL LOANS

Mun. Ref.	Fin Inst. Ref.	Date Received	Amount Received	Date Redeemable	Transactions for the year to date:		Interest Paid	Redeemed	Add: Interest Accrued Current Year	Balance as at 30/06/2019	Carrying Value	Short term Portion	Long term Portion
					Balance as at 30/06/2018	Received							
EXTERNAL LOANS													
ANNUITY & STOCK LOANS													
2-0004-60725100						223 716 063,10	24 951 312,34	9 427 058,37	6 084 638,36	214 291 004,13	352 079 349,33	10 409 903,52	203 881 100,61
8											1 312 056,77		
556		14/07/2005	21 736 259,25	31/03/2014							8 843 695,89		
557		14/11/2005	22 000 000,00	31/03/2015							11 984 163,92		
558		26/06/1997	9 179 000,00	31/03/2009							34 008,65		
559		02/11/1999	3 000 000,00	31/03/2014	0,00						1 939 788,56		
560	10647/102	25/07/1997	7 000 000,00	31/03/2017							377 569,50		
561	10736/102			31/03/2017							1 302 898,31		
562				30/06/2009							5 243 422,35		
2569	102124/1	21/08/2006	25 000 000,00	30/09/2016	0,00						14 143 255,88		
2991		29/09/2006	50 000 000,00	30/09/2016							31 080 320,35		
2992		29/09/2006	5 000 000,00	30/09/2012							1 260 651,81		
5027	102831/1	31/03/2008	23 000 000,00	31/03/2018							15 652 363,85		
5028	102832	31/03/2008	40 000 000,00	31/03/2018							29 903 914,06		
5029		31/03/2008	2 000 000,00	31/03/2015							122 902,76		
11097	103649/2	09/03/2010	21 000 000,00	31/03/2030	15 437 949,52	1 028 419,03	869 942,33		245 337,14	14 568 007,19	17 390 265,77	927 583,01	13 640 424,18
11098	103649/1	09/03/2010	29 000 000,00	31/03/2030	23 536 081,27	2 818 171,85	948 960,23		680 865,59	22 587 121,04	25 022 678,31	1 061 696,85	21 525 424,19
11099	103649/3	16/07/2010	50 000 000,00	31/03/2030	41 529 864,01	1 758 660,24	1 758 660,24		1 124 034,72	39 771 293,77	41 907 748,12	1 954 427,88	37 816 865,89
11100	103649/4	29/06/2011	50 000 000,00	31/03/2030	42 105 639,30	4 797 587,54	1 762 408,46		1 157 723,68	40 343 230,84	44 179 249,72	1 961 720,48	38 381 510,36
11101	103649/5	20/06/2013	51 000 000,00	31/03/2030	44 800 297,78	1 803 285,68	1 803 285,68		1 329 985,94	42 997 012,20	47 428 661,90	2 013 638,17	40 983 374,03
19975	61007341	20/05/2016	38 500 000,00	31/03/2036	37 376 330,13	691 814,76	691 814,76		1 068 457,11	36 684 515,37	36 311 827,50	737 488,76	35 947 026,61
19976	61007374	20/05/2016	21 500 000,00	31/03/2026	18 931 911,09	1 592 087,37	1 592 087,37		478 214,28	17 339 823,72	16 637 865,33	1 753 348,37	15 586 475,35



INTEREST ALLOCATED INCOME & EXPENDITURE		Amount
Department	Main Vote	
Operational Services: Admin	1503	487 140,11
P.W. Stormwater Drains: Worces	1533	334 635,28
P.W.: Street Lighting	1536	24 071,02
P.W. Streets: Worcester	1539	2 099 582,94
BTO: Admin	2403	-9 930,86
Boland Park Sportground	5130	100 930,99
R.F.: Parks (Other)	5151	211 343,28
R.R. Removal: Worcester	6603	33 011,47
Sew.:Disp. Works-Touwsrivier	6905	755 889,97
Sew.: Disp. Works-Worcester	6906	9 192 765,08
Sew.: Disp. Works-Rawsonville	6907	155 092,64
Sew. Networks: Worcester	6912	1 100 825,19
Elec.: Network & Substation	8112	7 113 025,93
Network & Pumps: Worcester	8412	517 785,25
W.M.: Fairy Glen D	8415	2 472,62
Bulk Water De Doorns	8416	39 132,59
W.M.: Stettynskloof Dam	8418	2 154 465,26
Res.: Vehicle distribution	8660	370 168,55
		24 682 411,31
Interest Paid		24 951 312,34
Interest Accrued	2017/18	(6 353 539,38)
Interest Accrued	2018//19	6 084 636,36
Total		24 682 411,31



BREDE VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2019
APPENDIX B: FIXED ASSET RECONCILIATION

Classification of Assets	Cost/Revaluation 2019									
	Opening balance as previously stated 30-06-2018	Prior period error	Restated opening balance 30/6/2018	Additions	Gap 12 Transfer	Fair value adjustment	Transfers	Restoration of assets	Disposals	Closing Balance 30-06-2019
LAND	239 657 087		239 657 087				-6 042 550			233 614 537
BUILDINGS	275 630 453		275 630 453	32 863 114			-838 788		(3 353 375)	304 301 404
INFRASTRUCTURE	2 669 970 405		2 669 970 405	197 413 475	2 611 502		119 643		(1 229 782)	2 868 885 243
HERITAGE ASSETS	36 631 059		36 631 059							36 631 059
OTHER ASSETS	97 233 190		97 233 190	35 654 868			1 470	184 419	(3 417 896)	129 656 051
INTANGIBLE ASSETS	7 056 610		7 056 610	71 600					(4 180)	7 124 020
INVESTMENT PROPERTY	21 785 500		21 785 500			15 204 675	6 760 225			43 750 400
Total	3 347 964 304	-	3 347 964 303	266 003 058	2 611 502	15 204 675	-0	184 419	-8 005 243	3 623 962 714



BREDE VALLEY MUNICIPALITY
Annual Financial Statements for the year ended 30 June 2018
APPENDIX B: FIXED ASSET RECONCILIATION

Classification of Assets	Cost/Revaluation 2018									
	Opening balance as previously stated 30.6.2017	Prior period error	Restated opening balance 30.6.2017	Additions	Grp 12 Transfer	Fair value adjustment	Transfers	Restoration of Assets	Disposals	Closing Balance 30.6.2018
LAND	239 675 837		239 675 837	-					(18 750)	239 657 087
BUILDINGS	270 293 169		270 293 169	5 345 534,21					(8 250)	275 630 453
INFRASTRUCTURE	2 477 658 759		2 477 658 759	165 133 623,75	7 209 814				(31 792)	2 669 970 405
HERITAGE ASSETS	36 631 059		36 631 059	-						36 631 059
OTHER ASSETS	107 938 194		107 938 194	10 543 149,83				(20 309 314)	(938 837)	97 233 192
INTANGIBLE ASSETS	7 056 610		7 056 610	-						7 056 610
INVESTMENT PROPERTY	21 018 000		21 018 000	-		767 500,00				21 785 500
Total	3 160 271 628	-	3 160 271 628	201 022 308	7 209 814	767 500	0	-20 309 314	-937 629	3 347 964 396



BREEDE VALLEY MUNICIPALITY
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APPENDIX B: FIXED ASSET RECONCILIATION

Classification of Assets	Accumulated Depreciation 2019									
	Opening balance as previously stated 30-06-2018	Prior period error	Restated opening balance 30-06-2018	Additions	Impairment	Disposals	Restoration of Assets	Transfers	Closing Balance 30-06-2019	Carrying Value 30-06-2019
LAND	-	-	-	-	-	-	-	-	-	233 614 537
BUILDINGS	177 667 601	-	177 667 601	5 993 553	-	(3 353 375)	-	-	180 287 779	124 003 626
INFRASTRUCTURE	1 033 647 289	-	1 033 647 289	68 173 788	-	(1 204 037)	-	-	1 100 617 020	1 768 268 223
HERITAGE ASSETS	-	-	-	-	-	-	-	-	-	36 631 059
OTHER ASSETS	42 844 612	-	42 844 612	13 399 353	70 345	(2 672 440)	-	-	53 641 871	76 014 180
INTANGIBLE ASSETS	2 401 641	-	2 401 641	294 057	-	(4 090)	-	-	2 691 608	4 432 412
INVESTMENT PROPERTY	-	-	-	-	-	-	-	-	-	43 750 400
Total	1 256 561 143	-	1 256 561 143	87 850 731	70 345	-7 233 943	0	-	1 337 248 278	2 286 714 436



BREDE VALLEY MUNICIPALITY
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APPENDIX B: FIXED ASSET RECONCILIATION

Classification of Assets	Accumulated Depreciation 2018										Carrying Value 30.6.2018
	Opening balance as previously stated 30.6.2017	Prior period error	Restated opening balance 30.6.2017	Additions	Impairment	Disposals	Restoration of Assets	Transfers	Closing Balance 30.6.2018		
LAND	-	-	-	-	-	-	-	-	-	-	239 657 007
BUILDINGS	172 345 136	-	172 345 136	5 330 601	-	(8 136)	-	-	177 667 601	-	97 962 952
INFRASTRUCTURE	967 125 986	-	967 125 986	66 553 095	-	(31 792)	-	-	1 033 647 289	-	1 636 323 116
HERITAGE ASSETS	-	-	-	-	-	-	-	-	-	-	36 631 059
OTHER ASSETS	49 073 743	-	49 073 743	12 726 588	-	(831 514)	(18 124 205)	-	42 844 612	-	54 388 580
INTANGIBLE ASSETS	1 962 529	-	1 962 529	439 112	-	-	-	-	2 401 641	-	4 654 969
INVESTMENT PROPERTY	-	-	-	-	-	-	-	-	-	-	21 785 500
Total	1 190 507 394	0	1 190 507 394	85 046 396	0	-871 445	-18 124 208	0	1 256 561 143	0	2 091 403 163



BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

APPENDIX C : STATISTICAL INFORMATION

		2019	2018	2017	2016
(1)	General Statistics				
(a)	Population.				
(b)	Valuation				
	(i) Taxable				
	Land	6 902 659 400	6 015 586 900	6 494 921 900	968 968 000
	Improvements	17 502 936 000	18 038 844 300	17 348 304 300	15 547 314 000
	(ii) Non Taxable				
	Land				
	Improvements				
	(iii) Date of Last General Valuation	2016/07/01	2016/07/01	2016/07/01	2012/07/01
(c)	Number of properties				
	Residential	21 065	20 932	20 713	19 621
	Commercial	1 065	1 038	1 125	1 047
	Welfare Institutions	244	238	4 579	4 483
	Agri/Farms	1 863	1 883	1 903	2 209
	Industrial	235	236		
	Public Serv. Infrastructure	336	335		
	National Monuments	28	27		
	Municipal Properties	3 890	3 979		
	State	106	104		
	Assesment Rate: Cent in the Rand	0.8278+ 1.6556	0.7809 + 1.5618	0.7360 + 1.4720	0.8520 + 1.7040
(d)	Assesment Rate: Cent in the Rand				
(e)	Number of Employees				
	Employed (inclusive councillors)	940	934	879	902
	Vacancies (Funded vacancies)	182	149	178	144
(2)	Electrical Statistics				
(a)	Number of users	± 28 000	27 653	27 653	20 830
(b)	Units bought	kWh 302 916 313,19	300 068 505,13	317 011 404	321 148 641
(c)	Units sold	kWh 281 171 281,50	280 162 315,00	297 326 394	302 649 685
(d)	Units lost in distribution	kWh 21 745 031,69	19 906 190,13	19 685 011	18 498 956
(e)	Percentage of units lost in distribution	7,18%	6,63%	6,2096%	5,7602%
(f)	Cost per unit bought	R 1,172764	1,077257	1,119742	1,024017
(g)	Loss in distribution	R 25 501 799	21 444 083	22 042 128	18 943 248
(h)	Cost per unit sold	R 1,263463	1,153799	1,193876	1,086608
(i)	Income per unit sold	R 1,384090	1,302097	1,316579	1,208169
(3)	Water Statistics				
(a)	Number of users	± 28 000	27 864	28 273	27 864
(b)	Units supplied	KI 13 317 770,00	12 569 124,00	12 993 400	13 633 813
(c)	Units sold	KI 11 135 455,00	10 802 841,00	10 705 472	11 439 824
(d)	Units lost in distribution	KI 2 182 315,00	1 766 283,00	2 287 928	2 193 989
(e)	Percentage of units lost in distribution	16,3865%	14,0526%	17,6084%	16,0923%
(f)	Cost per unit supplied	R 4,781119	4,573842	5,674011	5,608079
(g)	Loss in distribution	R 10 433 907	8 078 699	12 981 730	12 304 064
(h)	Cost per unit sold	R 5,718117	5,321673	6,886637	6,683625
(i)	Income per unit sold	R 6,305673	5,250956	6,484819	6,814768
(4)	Sundry Statistics				
(a)	Area in km ²	3 833	3 833	3 833	3 833
(b)	Previous election				
	Number of registered voters	70 002	70 002	70 002	70 002
	% poll				
(c)	Building survey:				
	(i) Building plans				
	Number passed	496	568	562	674
	Value passed (R '000)	360 039 000	442 154 000	R 424,564,000	475 154 000
	(ii) Inspections performed	± 2 500	3 500	3 468	2 188
(d)	Housing				
	(i) Number of dwelling units	± 2 688	2 688	2 682	2 696
	(ii) Number of people acc	± 13 440	12 096	102	111
	(iii) Number of people on waiting list	± 26 116	25 659	26 000	25 000
(e)	Fire service stations	3	2	2	2



BREDE VALLEY MUNICIPALITY																	
Annual Financial Statements for the year ended 30 June 2019																	
APPENDIX D: GRANTS AND SUBSIDIES RECEIVED																	
NAME OF GRANTS	Name of organ of state or Municipality Entity	Balance 1 July 2018	Quarterly Receipts				Quarterly Expenditures				Balance 30 June 2019	Grants and subsidies delayed/ withheld				Reason for non-compliance	
			Sept 18	Dec 18	March 19	June 19	Sept 18	Dec 18	March 19	June 19		Sept 18	Dec 18	March 19	June 19		
Equitable Share	National	-	45 407 000	36 326 000	27 244 000	27 244 000	27 244 200	27 244 300	27 244 500	27 244 000	-	-	-	-	Not applicable	Yes	None
Financial Management grant	National	-	1 550 000	-	-	-	50 000	576 299	233 834	687 867	-	-	-	-	Not applicable	Yes	None
EPWP: National	National	-	768 000	1 379 000	819 000	1 371 278	1 299 484	201 383	193 865	193 865	-	-	-	-	Not applicable	Yes	None
Mun. Infrast. Grant (MIG)	National	-	12 500 000	-	6 500 000	14 610 000	4 140 079	9 150 471	9 067 928	10 126 664	1 321 539	-	-	-	Not applicable	Yes	Project ongoing
Energy Efficient LED	National	-	-	-	-	-	-	-	-	-	-	-	-	Not applicable	Yes	None	
Integrated National Electrification Grant	National	-	-	2 500 000	2 500 000	-	5 000 000	-	-	-	-	-	-	Not applicable	Yes	None	
Public Libraries- Operational	Provincial	-	3 005 067	3 005 667	3 005 666	2 073 575	2 215 549	2 149 044	2 149 044	2 576 832	-	-	-	Not applicable	Yes	None	
Public Libraries- Capital	Provincial	4 115 001	500 000	-	-	500 000	-	1 335 779	-	2 719 222	-	-	-	Not applicable	Yes	None	
National Roads Agency	Provincial	-	-	-	150 000	-	-	150 000	-	-	-	-	-	Not applicable	Yes	None	
CDW Grant Support 0809	Provincial	-	-	-	-	7 578	14 374	(21 952)	-	-	-	-	-	Not applicable	Yes	None	
FMSG: Revenue Enhancement	Provincial	-	-	1 000 000	-	-	1 000 000	-	-	-	-	-	-	Not applicable	Yes	Project ongoing	
FMSG: Man Capacity grant	Provincial	240 000	-	-	360 000	-	240 000	-	-	360 000	-	-	-	Not applicable	Yes	Project ongoing	
FMSG: Implemen. of mSCOA	Provincial	-	-	280 000	-	-	180 875	89 325	-	-	-	-	-	Not applicable	Yes	None	
FMSG: Internal Audit - OPE	Provincial	44 154	-	-	-	-	44 154	-	-	-	-	-	-	Not applicable	Yes	None	
FMSG: Internal Audit - CAP	Provincial	-	-	-	-	-	-	-	-	-	-	-	-	Not applicable	Yes	None	
Municipal Service Delivery and Capacity Builders	Provincial	-	-	750 000	-	-	750 000	-	-	-	-	-	-	Not applicable	Yes	None	
RSEP Projects- Operational	Provincial	425 000	-	-	(414 000)	-	96 000	-	-	(85 000)	-	-	-	Not applicable	Yes	Project not completed	
RSEP Projects Capital	Provincial	1 593 418	-	2 200 000	414 000	3 387 268	5 000	737 925	5 000	1 067 225	-	-	-	Not applicable	Yes	Project not completed	
LG Graduate Internship Grant	Provincial	26 800	-	-	72 000	63 667	50 000	50 000	(64 867)	63 667	-	-	-	Not applicable	Yes	None	
Thusong Centre	Provincial	-	-	100 000	-	8 843	3 800	83 260	4 097	-	-	-	-	Not applicable	Yes	None	
Zwelethamba 242 erven	Provincial	767 968	-	-	-	767 968	-	-	-	-	-	-	-	Not applicable	Yes	Project not completed	
De Doorns 1480 PLS	Provincial	259 510	-	-	-	259 510	-	-	-	-	-	-	-	Not applicable	Yes	Project ongoing	
De Doorns 1480 PLS (Capital)	Provincial	-	-	-	-	-	-	-	-	-	-	-	-	Not applicable	Yes	Project ongoing	
Avisan park 438 Houses	Provincial	2 036 797	-	-	-	2 036 797	-	-	-	-	-	-	-	Not applicable	Yes	Project ongoing	
De Nova Town Development	Provincial	367 175	-	-	-	367 175	-	-	-	-	-	-	-	Not applicable	Yes	None	
SunnySide Orchard De doorns	Provincial	-	612 285	427 183	1 019 857	860 949	178 520	1 019 857	-	1 019 857	-	-	-	Not applicable	Yes	None	

BREEDER VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2019

APPENDIX D: GRANTS AND SUBSIDIES RECEIVED

NAME OF GRANTS	Name of organ of state or Municipality Entity	Balance 1 July 2018	Quarterly Receipts				Quarterly Expenses				Balance 30 June 2019	Grants and subsidies delayed/ withheld			Reason for delay/ withholding of funds	Comply with the grant conditions in terms of latest	Reason for non compliance	
			Sept 18	Dec 18	March 19	June 19	Sept 18	Dec 18	March 19	June 19		Sept 18	Dec 18	March 19				June 19
SunnySide Orchard capital	Provincial	-																
Avian Park 205 Houses	Provincial	-			2 550 000													
TITHE DEEDS	Provincial	3 500 000		1 334 000	448 000			1 098 193	314 272									
PAWC Fire equipment	Provincial	1 500 000							1 486 519									
Housing : transhex operating	Provincial	-																
Housing: Transhex	Provincial	27 483 296		70 869 357	25 916 462				22 884 603									
Housing: Transhex	Provincial	-																
EPWP cleaning personal	Cape Winelands district	-			500 000													
56 Houses for staff (SARWU)	Housing grant	44 824																
1800 Zweetheamba Housing Project	Housing grant	1 448 005																
350 Houses Avian Park	Housing grant	(422 643)																
339 Houses	Housing grant	24 464																
708 Avianpark	Provincial	468 878																
331 People Housing Proj. Zweetheamba	Provincial	2 524 407																
LOWSETA	Other	95 828		433 123	205 434				734 385									
LOWSETA - Learner ship	Other	-																
Work for Water Projects	Other	504 780	754 082					329 056	228 059									
Provincial contribution	Other	-			25 000				25 000									
Donated Assets: Vehicles	Private Donations	-			31 000				31 000									
		47 049 661	64 342 952	47 681 933	115 145 176	45 577 773	40 898 604	58 325 793	83 177 771	20 793 462								
		Balance 01/07/18	Sept 18	Dec 18	March 19	June 19	Sept 18	Dec 18	March 19	June 19	Balance 30/06/2019							
		47 049 661	272 757 833	272 757 833	299 014 032	20 793 462					20 793 462							
Register summary	Unutilised Balance - 01/07/2018	47 472 305	176 140 985	96 585 889	31 000	(43 623)	(133 232 543)	(165 737 869)	(507 643)	21 301 107	20 793 464							
	Debt Balance 01/07/2018	(622 643)	176 140 985	96 585 889	31 000	(43 623)	(133 232 543)	(165 737 869)	(507 643)	21 301 107	20 793 464							
	01/07/2018 - 30/06/19	47 049 662	272 757 833	272 757 833	299 014 032	20 793 462					20 793 462							
	Received		Sept 18	Dec 18	March 19	June 19	Sept 18	Dec 18	March 19	June 19	Balance 30/06/2019							
	Capital Donated		272 757 833	272 757 833	299 014 032	20 793 462					20 793 462							
	Other Income		176 140 985	96 585 889	31 000	(43 623)	(133 232 543)	(165 737 869)	(507 643)	21 301 107	20 793 464							
	Refunded		176 140 985	96 585 889	31 000	(43 623)	(133 232 543)	(165 737 869)	(507 643)	21 301 107	20 793 464							
	Written - off		176 140 985	96 585 889	31 000	(43 623)	(133 232 543)	(165 737 869)	(507 643)	21 301 107	20 793 464							
	Conditions met Income statement Operating		176 140 985	96 585 889	31 000	(43 623)	(133 232 543)	(165 737 869)	(507 643)	21 301 107	20 793 464							
	Conditions met Income statement Capital		176 140 985	96 585 889	31 000	(43 623)	(133 232 543)	(165 737 869)	(507 643)	21 301 107	20 793 464							
	To Other Debtors		176 140 985	96 585 889	31 000	(43 623)	(133 232 543)	(165 737 869)	(507 643)	21 301 107	20 793 464							

Appendix E A2

WC025 Breede Valley - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Description	2018/19										2017/18
	1	2	3	4	5	6	7	8	9	10	14
R thousand	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Adjustment Budget 26 February 2019	Approved Virements (Virement Policy 2018/2019)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Revised Audited Outcome
Revenue - Standard											
<i>Governance and administration</i>	202 677	(8 553)	194 123	-	194 123	203 000		8 877	104,6%	100,2%	186 089
Executive and council	139	1 010	1 149	-	1 149	1 044		(105)	90,9%	752,2%	1 270
Finance and administration	202 538	(9 607)	192 930	-	192 930	201 912		8 981	104,7%	99,7%	184 645
Internal audit	-	44	44	-	44	44		-	100,0%	#DIV/0!	174
<i>Community and public safety</i>	63 268	1 473	64 742	-	64 742	60 545		(4 196)	93,5%	95,7%	48 047
Community and social services	11 157	4 115	15 272	-	15 272	15 025		(247)	98,4%	134,7%	10 709
Sport and recreation	11 250	-	11 250	-	11 250	3 461		(7 789)	30,8%	30,8%	3 696
Public safety	1 501	1 620	3 121	-	3 121	1 533		(1 588)	49,1%	102,1%	1 280
Housing	39 360	(4 262)	35 098	-	35 098	40 526		5 428	115,5%	103,0%	32 362
Health	-	-	-	-	-	-		-	-	-	-
<i>Economic and environmental services</i>	111 898	44 635	156 533	-	156 533	79 782		(76 752)	51,0%	71,3%	154 657
Planning and development	4 832	1 498	6 331	-	6 331	5 464		(867)	86,3%	113,1%	8 990
Road transport	104 804	43 137	147 941	-	147 941	73 103		(74 838)	49,4%	69,8%	142 942
Environmental protection	2 262	-	2 262	-	2 262	1 215		(1 047)	53,7%	53,7%	2 725
<i>Trading services</i>	757 376	4 662	762 038	-	762 038	762 204		166	100,0%	100,0%	670 521
Energy sources	421 140	2 678	423 818	-	423 818	403 650		(20 168)	95,2%	95,8%	365 297
Water management	137 501	(371)	137 130	-	137 130	135 542		(1 588)	98,9%	98,6%	117 794
Waste water management	145 059	1 223	146 282	-	146 282	162 297		16 015	110,9%	111,9%	135 671
Waste management	53 676	1 133	54 809	-	54 809	60 716		5 907	110,8%	113,1%	51 759
<i>Other</i>	-	-	-	-	-	-		-	-	-	-
Total Revenue - Standard	1 135 219	42 217	1 177 436	-	1 177 436	1 105 531		(71 906)	93,9%	97,4%	1 059 314
Expenditure - Standard											
<i>Governance and administration</i>	218 261	(14 679)	203 582	(2 204)	201 378	192 127		(9 251)	95,4%	88,0%	180 012
Executive and council	37 560	(528)	37 032	62	37 094	37 040		(54)	99,9%	98,6%	35 702
Finance and administration	176 910	(13 420)	163 490	(2 426)	161 064	151 939		(9 125)	94,3%	85,9%	141 632
Internal audit	3 791	(731)	3 060	160	3 220	3 148		(72)	97,8%	83,0%	2 677
<i>Community and public safety</i>	124 900	(16 336)	108 563	4 979	113 542	105 704		(7 838)	93,1%	84,6%	105 173
Community and social services	22 882	(706)	22 177	257	22 434	22 041		(392)	98,3%	96,3%	20 256
Sport and recreation	32 697	(6 543)	26 153	1 679	27 833	27 592		(241)	99,1%	84,4%	26 074
Public safety	31 252	(3 536)	27 716	1 642	29 367	29 344		(24)	99,9%	93,9%	29 671
Housing	37 958	(5 551)	32 407	1 400	33 807	26 638		(7 170)	78,8%	70,2%	29 075
Health	101	-	101	-	101	89		(12)	88,4%	88,4%	97
<i>Economic and environmental services</i>	138 814	28 156	166 970	1 017	167 987	124 293		(43 695)	74,0%	89,5%	173 769
Planning and development	15 669	(1 016)	14 653	1 014	15 667	15 442		(225)	98,6%	98,6%	14 353
Road transport	120 379	28 895	149 274	2	149 276	107 195		(42 081)	71,8%	89,0%	156 366
Environmental protection	2 766	3 043	5 809	2	8 811	1 656		(1 386)	54,4%	59,9%	3 080
<i>Trading services</i>	528 463	510	528 973	(4 861)	524 112	523 107		(1 005)	99,8%	99,0%	494 094
Energy sources	360 738	(5 367)	355 381	(4 774)	350 607	350 328		(279)	99,9%	97,1%	325 777
Water management	59 828	4 226	64 054	(10)	64 044	64 010		(34)	99,9%	107,0%	57 694
Waste water management	61 180	3 148	64 328	680	65 008	64 772		(236)	99,6%	105,9%	61 247
Waste management	46 716	(1 506)	45 209	(757)	44 452	43 996		(457)	99,0%	94,2%	49 376
<i>Other</i>	910	(30)	880	655	1 535	1 497		(38)	97,5%	164,4%	1 005
Total Expenditure - Standard	1 011 346	(2 379)	1 008 968	(414)	1 008 554	946 727		(61 827)	93,9%	93,6%	954 082
Surplus/(Deficit) for the year	123 872	44 597	168 468	414	168 882	158 804		(10 076)	94,0%	128,2%	105 231



**Appendix F A3
WC025 Breede Valley - Reconciliation of Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description	2018/19							2017/18			
	Original Budget	Budget Adjustments (i.l.o. MFMA s28)	Adjustment Budget 26 February 2019	Approved Virements (Virement Policy 2018/2019)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	14
Revenue by Vote											
Vote 1 - Council General	139	(65)	74	-	74	448		374	603,1%	322,9%	3 290
Vote 2 - Municipal Manager	3 200	4 115	7 315	-	7 315	4 770		(2 545)	65,2%	149,1%	8 608
Vote 3 - Strategic Support Services	3 134	(1 464)	1 670	-	1 670	2 508		838	150,2%	80,0%	477
Vote 4 - Financial Services	195 679	(10 049)	185 630	0	185 630	193 965		8 335	104,5%	99,1%	179 070
Vote 5 - Community Services	148 562	44 517	193 080	-	193 080	108 794		(84 285)	56,3%	73,2%	169 578
Vote 6 - Technical Services	784 506	5 162	789 668	(0)	789 668	795 046		5 378	100,7%	101,3%	698 291
Example 7 - Vote7											
Example 8 - Vote8											
Example 9 - Vote9											
Example 10 - Vote10											
Example 11 - Vote11											
Example 12 - Vote12											
Example 13 - Vote13											
Example 14 - Vote14											
Example 15 - Vote15											
Total Revenue by Vote	1 135 219	42 217	1 177 436	-	1 177 436	1 105 531		(71 906)	93,9%	97,4%	1 059 314
Expenditure by Vote to be appropriated											
Vote 1 - Council General	34 745	(1 553)	33 192	560	33 752	33 471		(282)	99,2%	96,3%	32 119
Vote 2 - Municipal Manager	9 826	(77)	9 748	68	9 816	9 807		(10)	99,9%	99,8%	8 799
Vote 3 - Strategic Support Services	56 734	2 682	59 416	(294)	59 122	56 938		(2 183)	96,3%	100,4%	51 388
Vote 4 - Financial Services	82 573	(8 534)	74 039	(3 621)	70 417	59 175		(11 242)	84,0%	71,7%	61 792
Vote 5 - Community Services	198 798	14 604	213 402	3 250	216 652	168 618		(48 034)	77,8%	84,8%	216 078
Vote 6 - Technical Services	628 672	(9 500)	619 171	(376)	618 795	618 718		(77)	100,0%	98,4%	583 906
Example 7 - Vote7											
Example 8 - Vote8											
Example 9 - Vote9											
Example 10 - Vote10											
Example 11 - Vote11											
Example 12 - Vote12											
Example 13 - Vote13											
Example 14 - Vote14											
Example 15 - Vote15											
Total Expenditure by Vote	1 011 348	(2 379)	1 008 968	(414)	1 008 554	946 727	-	(61 827)	93,9%	93,6%	954 082
Surplus/(Deficit) for the year	123 872	44 597	168 468	414	168 882	158 804		(10 076)	94,0%	128,2%	105 231

Appendix GA 4

WC025 Breede Valley - Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2018/19										2017/18
	Original Budget	Budget Adjustments (i.l.o. MFMA s28)	Adjustment Budget 26 February 2019	Approved Virements Policy 2018/2019	Final Adjustments Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	14
Revenue By Source											
Property rates	144 759	(10 666)	134 074	-	134 074	135 728		1 654	101,2%	93,8%	125 006
Property rates - penalties & collection charges	994	(894)	-	-	-	1 744		1 744	#DIV/0!	175,5%	1 470
Service charges - electricity revenue	395 845	2 634	398 479	-	398 479	389 166		(9 313)	97,7%	98,3%	351 233
Service charges - water revenue	77 097	(8 914)	68 183	-	68 183	70 217		2 034	103,0%	91,1%	56 725
Service charges - sanitation revenue	67 984	1 223	69 207	-	69 207	67 133		(2 074)	97,0%	98,7%	65 381
Service charges - refuse revenue	37 962	1 133	39 095	-	39 095	38 310		(784)	96,0%	100,9%	34 887
Service charges - other	-	-	-	-	-	-		-	-	-	-
Rental of facilities and equipment	8 842	(0)	8 842	0	8 842	25 194		16 353	285,0%	285,0%	9 052
Interest earned - external investments	13 074	(1 849)	11 225	-	11 225	11 233		7	100,1%	85,9%	16 556
Interest earned - outstanding debtors	3 181	2 740	5 921	-	5 921	6 356		434	107,3%	199,8%	6 278
Dividends received	-	-	-	-	-	-		-	-	-	-
Fines	75 258	43 137	118 395	-	118 395	37 240		(81 155)	31,5%	49,5%	111 978
Licences and permits	3 424	-	3 424	-	3 424	2 952		(472)	86,2%	86,2%	3 108
Agency services	7 793	-	7 793	-	7 793	8 507		714	109,2%	109,2%	7 630
Transfers recognised - operational	146 455	(1 822)	144 634	(0)	144 634	133 233		(11 401)	92,1%	91,0%	130 203
Other revenue	10 271	207	10 478	-	10 478	9 707		(771)	92,6%	94,5%	8 246
Gains on disposal of PPE	1 190	-	1 190	-	1 190	3 073		1 883	258,2%	258,2%	(95)
Total Revenue (excluding capital transfers and contributions)	994 129	26 811	1 020 940	-	1 020 940	939 793		(81 147)	92,1%	94,5%	927 659
Expenditure By Type											
Employee related costs	310 637	(28 617)	282 019	(2 900)	279 119	278 623		(496)	99,8%	89,7%	252 675
Remuneration of councillors	18 129	-	18 129	-	18 129	17 675		(454)	97,5%	97,5%	16 891
Debt impairment	59 662	41 578	101 240	-	101 240	62 896		(38 344)	62,1%	105,4%	112 245
Depreciation & asset impairment	86 305	-	86 305	-	86 305	87 921		1 616	101,9%	101,9%	85 049
Finance charges	24 505	-	24 505	-	24 505	24 662		177	100,7%	100,7%	26 039
Bulk purchases	281 892	-	281 892	5 470	287 362	287 305		(57)	100,0%	101,9%	264 821
Other materials	11 612	14 746	26 359	4 841	31 200	27 296		(3 903)	87,5%	235,1%	13 348
Contracted services	117 526	(28 744)	88 781	(1 546)	87 235	72 243		(14 992)	82,8%	61,5%	97 988
Transfers and grants	21 598	(1 940)	19 658	(1 483)	18 176	16 317		(1 859)	89,8%	75,5%	12 807
Other expenditure	76 178	598	76 777	(4 796)	71 981	71 659		(321)	99,6%	94,1%	72 219
Loss on disposal of PPE	3 304	-	3 304	-	3 304	109		(3 194)	3,3%	3,3%	-
Total Expenditure	1 014 348	(2 379)	1 008 968	(414)	1 008 554	946 727		(61 827)	93,9%	93,6%	954 082
Surplus/(Deficit)	(17 218)	29 190	11 972	414	12 386	(6 934)		(19 319)	-56,0%	40,3%	(26 423)
Transfers recognised - capital	141 090	14 907	155 997	-	155 997	165 738		9 741	106,2%	117,5%	131 654
Contributions recognised - capital	-	-	-	-	-	-		-	-	-	-
Contributed assets	-	500	500	-	500	-		(500)	-	-	-
Surplus/(Deficit) after capital transfers & contributions	123 872	44 697	168 468	414	168 882	158 804		(10 078)	94,0%	128,2%	105 231
Taxation	-	-	-	-	-	-		-	-	-	-
Surplus/(Deficit) after taxation	123 872	44 697	168 468	414	168 882	158 804		(10 078)	94,0%	128,2%	105 231
Attributable to minorities	-	-	-	-	-	-		-	-	-	-
Surplus/(Deficit) attributable to municipality	123 872	44 697	168 468	414	168 882	158 804		(10 078)	94,0%	128,2%	105 231
Share of surplus/(deficit) of associate	-	-	-	-	-	-		-	-	-	-
Surplus/(Deficit) for the year	123 872	44 697	168 468	414	168 882	158 804		(10 078)	94,0%	128,2%	105 231



Appendix H A4
WC025 Breede Valley - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	2018/19							2017/18				
	Original Budget	Total Budget Adjustments (i.e. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Capital expenditure - Vote												
Multi-year expenditure												
Example 1 - Vote1												
Example 2 - Vote2												
Example 3 - Vote3												
Example 4 - Vote4												
Example 5 - Vote5												
Example 6 - Vote6												
Example 7 - Vote7												
Example 8 - Vote8												
Example 9 - Vote9												
Example 10 - Vote10												
Example 11 - Vote11												
Example 12 - Vote12												
Example 13 - Vote13												
Example 14 - Vote14												
Example 15 - Vote15												
Capital multi-year expenditure												
Single-year expenditure												
Vote 1 - Council General	5	2	7	-								-
Vote 2 - Municipal Manager	3 205	1 912	5 117	4 143		(7)	81%	129%				1 702
Vote 3 - Strategic Support Services	14 575	11 677	26 252	25 349		(903)	97%	174%				8 181
Vote 4 - Financial Services	1 775	211	1 986	1 426		(560)	72%	80%				5 352
Vote 5 - Community Services	16 054	(6 397)	9 658	10 232		575	106%	64%				795
Vote 6 - Technical Services	191 053	38 795	229 848	224 853		(4 995)	98%	118%				3 770
Example 7 - Vote7												181 222
Example 8 - Vote8												
Example 9 - Vote9												
Example 10 - Vote10												
Example 11 - Vote11												
Example 12 - Vote12												
Example 13 - Vote13												
Example 14 - Vote14												
Example 15 - Vote15												
Capital single-year expenditure	226 667	46 200	272 868	266 003	-	(6 865)	97%	117%	-	-	-	201 022
Total Capital Expenditure - Vote	226 667	46 200	272 868	266 003	-	(6 865)	97%	117%	-	-	-	201 022

Appendix H A4
WC025 Breede Valley - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	2018/19							2017/18				
	Original Budget	Total Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Capital Expenditure - Standard												
Governance and administration	18 528	15 674	34 202	30 488	-	(3 713)	89%	165%	-	-	-	21 772
Executive and council	15	2	17	15	-	(2)	88%	100%	-	-	-	356
Budget and treasury office	1 775	211	1 986	1 426	-	(560)	72%	80%	-	-	-	790
Corporate services	16 738	15 461	32 199	29 047	-	(3 151)	90%	174%	-	-	-	20 626
Community and public safety	21 704	(7 445)	14 259	13 958	-	(301)	98%	64%	-	-	-	5 171
Community and social services	4 700	3 656	8 356	8 059	-	(298)	96%	171%	-	-	-	1 006
Sport and recreation	12 501	(10 311)	2 190	2 190	-	(0)	100%	18%	-	-	-	1 011
Public safety	4 503	(791)	3 712	3 709	-	(3)	100%	82%	-	-	-	3 153
Housing	-	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services	27 102	10 316	37 418	40 510	-	3 092	108%	149%	-	-	-	41 317
Planning and development	432	(432)	-	-	-	-	-	-	-	-	-	-
Road transport	26 670	10 748	37 418	40 510	-	3 092	108%	152%	-	-	-	41 317
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-
Trading services	159 333	27 656	186 989	181 047	-	(5 942)	97%	114%	-	-	-	132 762
Electricity	38 281	7 973	46 254	27 408	-	(18 846)	59%	72%	-	-	-	12 418
Water	55 171	(2 644)	52 527	55 824	-	3 297	106%	101%	-	-	-	52 928
Waste water management	59 932	13 461	73 393	83 000	-	9 607	113%	138%	-	-	-	59 378
Waste management	5 950	8 866	14 816	14 816	-	0	100%	249%	-	-	-	8 039
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	226 667	46 200	272 868	266 003	-	(6 865)	97%	117%	-	-	-	201 022
Funded by:												
National Government	38 810	-	38 810	37 488	-	(1 322)	97%	97%	-	-	-	41 783
Provincial Government	102 430	15 171	117 601	128 219	-	10 618	109%	125%	-	-	-	88 028
District Municipality	-	500	500	31	-	(469)	6%	#DIV/0!	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-	-	-	-	(0)
Transfers recognised - capital	141 240	15 671	156 911	165 738	-	8 827	106%	117%	-	-	-	129 812
Public contributions & donations	-	-	-	6 281	-	(62)	97%	#DIV/0!	-	-	-	1 667
Borrowing	-	6 443	6 443	93 984	-	(15 530)	86%	110%	-	-	-	21 325
Internally generated funds	85 427	24 087	109 514	266 003	-	(6 865)	97%	117%	-	-	-	48 219
Total Capital Funding	226 667	46 200	272 868	266 003	-	(6 865)	97%	117%	-	-	-	201 022

Appendix I Budget Cash Flow

WC025 Breede Valley - Reconciliation of Table A7 Budgeted Cash Flows

Description	2018/19							2017/18
	Original Budget	Budget Adjustments (i.t.o. s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Ratepayers and other	764 950	(13 612)	751 338	731 517	(19 822)	97,4%	95,6%	627 314
Government - operating	146 455	(2 643)	143 813	133 258	(10 554)	92,7%	91,0%	120 238
Government - capital	141 090	8 293	149 383	139 510	(9 873)	93,4%	98,9%	158 728
Interest	15 951	1 196	17 147	14 983	(2 163)	87,4%	93,9%	20 825
Dividends	-	-	-	-	-	-	-	-
Payments								
Suppliers and employees	(819 090)	41 830	(777 260)	(752 306)	24 954	96,8%	91,8%	(713 592)
Finance charges	(25 050)	545	(24 505)	(24 682)	(177)	100,7%	98,5%	(26 039)
Transfers and Grants	(21 598)	1 940	(19 658)	(16 317)	3 341	83,0%	75,5%	(12 807)
NET CASH FROM/(USED) OPERATING ACTIVITIES	202 709	37 549	240 258	225 963	(14 294)	94,1%	111,5%	174 668
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	-	-	-	3 734	3 734	#DIV/0!	#DIV/0!	31
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	50	-	50	4 816	4 766	9632,0%	9632,0%	3 736
Decrease (increase) in non-current investments	-	-	-	30 704	30 704	#DIV/0!	#DIV/0!	44 075
Payments								
Capital assets	(226 667)	(45 786)	(272 454)	(266 277)	6 177	97,7%	117,5%	(199 022)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(226 617)	(45 786)	(272 404)	(227 023)	45 381	83,3%	100,2%	(151 181)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	50	-	50	171	121	342,4%	342,4%	232
Payments								
Repayment of borrowing	(7 835)	-	(7 835)	(9 696)	(1 861)	123,8%	123,8%	(10 846)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(7 785)	-	(7 785)	(9 525)	(1 740)	122,3%	122,3%	(10 615)
NET INCREASE/ (DECREASE) IN CASH HELD	(31 694)	(8 237)	(39 931)	(10 584)				12 873
Cash/cash equivalents at the year begin:	160 031	(9 580)	150 451	105 451				92 578
Cash/cash equivalents at the year end:	128 337	(17 817)	110 520	94 867	(15 653)	85,8%	73,9%	105 451



BREED VALLEY MUNICIPALITY			
Annual Financial Statements for the year ended 30 June 2019			
APPENDIX J: DEVIATIONS FOR THE 2018 2019 FINANCIAL YEAR			
DEVIATIONS FOR THE MONTH: JULY 2018			
Deviation Reference	Amount	Service Provider	Deviation category
BVD 217/ 2018	27 307,90	Saayman Springworks cc	Exceptional case whereby it is impractical to follow a normal procurement process
BVD 220/ 2018	134 471,23	First Technology Group	Exceptional case whereby it is impractical to follow a normal procurement process
Total	161 779,13		
[2]			
DEVIATIONS FOR THE MONTH: AUGUST 2018			
Deviation Reference	Amount	Service Provider	Deviation Category
BVD 208/ 2018	R 5 865,00	Hyder Doors	Emergency
BVD 223/2018	R 14 323,76	Truvelo Africa Electronics	Sole provider
BVD 219/2018	R 3 300,50	Worcester Kommunikasie	Exceptional case whereby it is impractical or impossible to follow a normal procurement process
BVD 211/2018	R 832 943,35	Fidelity Security Services	Exceptional case whereby it is impractical or impossible to follow a normal procurement process
BVD 209/2018	R 603 520,00	Fidelity Security Services	Exceptional case whereby it is impractical or impossible to follow a normal procurement process
BVD 210/2018	R 54 125,64	Mafoko Security Patrols	Exceptional case whereby it is impractical or impossible to follow a normal procurement process
BVD 212/2018	R 194 225,87	G4S Secure Solutions	Exceptional case whereby it is impractical or impossible to follow a normal procurement process
BVD 213/2018	R 194 225,87	G4S Secure Solutions	Exceptional case whereby it is impractical or impossible to follow a normal procurement process
Total	1 902 529,99		
[8]			
DEVIATIONS FOR THE MONTH: SEPTEMBER 2018			
Deviation Reference	Amount	Service Provider	Deviation Category
BVD 218/2018	R822 980,90	Traffic Management Technology	Exceptional case where it is impractical or impossible to follow the official procurement process
BVD 229/ 2018	R175 398,87	Webber Wentzel	Exceptional case where it is impractical or impossible to follow the official procurement process
BVD 228/2018	R15 645,75	Fulcrum Technologies	Exceptional case where it is impractical or impossible to follow the official procurement process
Total	R 1 014 025,52		
[3]			
DEVIATIONS FOR THE MONTH: OCTOBER 2018			
Deviation Reference	Amount	Service Provider	Deviation Category
BVD 221/2018	R 5 168 068,75	Ontec Systems	Exceptional case where it is impractical or impossible to follow the official procurement processes
BVD 226/2018	R 36 271,00	De Kock and Cronje	Exceptional case where it is impractical or impossible to follow the official procurement processes
BVD 227/2018	R 4 797,59	Drager South Africa	Exceptional case where it is impractical or impossible to follow the official procurement processes
BVD 225/2018	R 20 757,50	Meycom	Exceptional case where it is impractical or impossible to follow the official procurement processes
BVD 230/2018	R 13 117,53	Fairbridges Wertheim Becker	Exceptional case where it is impractical or impossible to follow the official procurement processes
BVD 222/2018	R 163 337,21	Bytes Systems	Exceptional case where it is impractical or impossible to follow the official procurement processes
BVD 232/ 2018	R 27 830,41	Fairbridges Wertheim Becker	Exceptional case where it is impractical or impossible to follow the official procurement processes
BVD 237/ 2018	R 33 530,00	Leaders Meubelders	Exceptional case where it is impractical or impossible to follow the official procurement processes
BVD 236/2018	R 194 225,87	G4S Secure Solutions	Exceptional case where it is impractical or impossible to follow the official procurement processes
BVD 234/2018	R 194 225,87	G4S Secure Solutions	Exceptional case where it is impractical or impossible to follow the official procurement processes
BVD 238/2018	R 109 710,00	First Technology	Exceptional case where it is impractical or impossible to follow the official procurement processes
Total	5 965 871,73		
[11]			



BREED VALLEY MUNICIPALITY			
Annual Financial Statements for the year ended 30 June 2019			
APPENDIX J: DEVIATIONS FOR THE 2018 2019 FINANCIAL YEAR			
DEVIATIONS FOR THE MONTH: NOVEMBER 2018			
Deviation Reference	Amount	Service Provider	Deviation Category
BVD 231/ 2018	R 46 320,79	Linux Based Systems Design	Exceptional case where it is impractical or impossible to follow the official procurement processes
BVD 233/2018	R 323 658,35	Bytes System Integration	Exceptional case where it is impractical or impossible to follow the official procurement processes
BVD 241/2018	R 4 500,00	One Way Towing	Exceptional case where it is impractical or impossible to follow the official procurement processes
BVD 242/2018	R 414 517,26	Fidelity Security	Exceptional case where it is impractical or impossible to follow the official procurement processes
BVD 244/ 2018	R 3 700,00	TCS Catering	Exceptional case where it is impractical or impossible to follow the official procurement processes
Total	792 696,40		
[5]			
DEVIATIONS FOR THE MONTH: DECEMBER 2018			
Deviation Reference	Amount	Service Provider	Deviation Category
BVD 246/ 2018	R 61 122,50	Webber Wentzel Attorneys	Exceptional case where it is impractical or impossible to follow the official procurement processes
BVD 247/ 2018	R 26 835,25	Strydom Armature Winders	Emergency
BVD 248/ 2018	R 12 790,30	Fairbridges Wertheim Becker	Exceptional case where it is impractical or impossible to follow the official procurement processes
BVD 249/ 2018	R 75 971,88	Juno Corp (Pty) Ltd	Emergency
BVD 250/ 2018	R 53 294,23	Specialised Municipal Equipment	Emergency
BVD 251/ 2018	R 3 621 687,65	Ontec Systems (Pty) Ltd	Exceptional case where it is impractical or impossible to follow the official procurement processes
BVD 252/2018	R 488 034,84	Securitem (Pty) Ltd	Exceptional case where it is impractical or impossible to follow the official procurement processes
Total	4 339 736,65		
[7]			
DEVIATIONS FOR THE MONTH: JANUARY 2019			
Deviation Reference	Amount	Service Provider	Deviation Category
BVD 253/2019	2 622,00	CSX Customers Services	Sole Supplier
BVD 256/ 2019	3 662,75	Muller Terblanche and Beyers	Exceptional case whereby it is impossible or impractical to follow a normal procurement process
Total	6 284,75		
[2]			
DEVIATIONS FOR THE MONTH: FEBRUARY 2019			
Deviation Reference	Amount	Service Provider	Deviation Category
BVD 257/2019	8 773,00	Manie's Verkoeling	Emergency
BVD 258/ 2019	3 261,42	Boland Isuzu	Exceptional case whereby it is impossible or impractical to follow a normal procurement process
BVD 259/2019	5 992,65	HD Transmissions	Exceptional case whereby it is impossible or impractical to follow a normal procurement process
BVD 260/ 2019	244 716,37	First Technology Western Cape (Pty) Ltd	Exceptional case whereby it is impossible or impractical to follow a normal procurement process
BVD 261/ 2019	24 914,64	Fairbridge Wertheim Becker	Exceptional case whereby it is impossible or impractical to follow a normal procurement process
BVD 262/ 2019	13 046,80	De Vries , De Wet & Kroukam	Exceptional case whereby it is impossible or impractical to follow a normal procurement process
BVD 263/ 2019	774 388,93	Nashua BreedeValley	Exceptional case whereby it is impossible or impractical to follow a normal procurement process
BVD 264/ 2019	24 150,00	Dr Roof and Painters	Exceptional case whereby it is impossible or impractical to follow a normal procurement process
BVD 265/ 2019	52 600,00	Wilhelm Sadie	Exceptional case whereby it is impossible or impractical to follow a normal procurement process
Total	1 151 843,81		
[9]			



BREED VALLEY MUNICIPALITY			
Annual Financial Statements for the year ended 30 June 2019			
APPENDIX J: DEVIATIONS FOR THE 2018 2019 FINANCIAL YEAR			
DEVIATIONS FOR THE MONTH: MARCH 2019			
Deviation Reference	Amount	Service Provider	Deviation Category
BVD 266/ 2019	3 633,31	Orchard Supplies	Exceptional case whereby it is impossible or impractical to follow a normal procurement process
BVD 267/ 2019	42 257,88	GPS Sales and Training (Pty) Ltd	Exceptional case whereby it is impossible or impractical to follow a normal procurement process
BVD 268/ 2019	156 400,00	Witels Grondverskuiwing	Exceptional case whereby it is impossible or impractical to follow a normal procurement process
BVD 271/ 2019	10 444,91	BEKA Schreder (Pty) Ltd	Sole Provider
Total	212 736,10		
[4]			
DEVIATIONS FOR THE MONTH: APRIL 2019			
Deviation Reference	Amount	Service Provider(s)	Deviation Category
BVD 245/2019	4 835 503,57	Various petrol outlets within the municipal area	Exceptional case whereby it is impossible or impractical to follow a normal procurement process
BVD 269/ 2019	45 393,30	Elton Shortles Attorneys	Exceptional case whereby it is impossible or impractical to follow a normal procurement process
BVD 270/ 2019	75 657,93	Fairbridges Wertheim Becker	Exceptional case whereby it is impossible or impractical to follow a normal procurement process
BVD 272/ 2019	2 750,00	RD West	Exceptional case whereby it is impossible or impractical to follow a normal procurement process
BVD 273/ 2019	11 300,00	Andrews Watt & Nell	Exceptional case whereby it is impossible or impractical to follow a normal procurement process
BVD 274/ 2019	112 033,90	Elton Shortles Attorneys	Exceptional case whereby it is impossible or impractical to follow a normal procurement process
BVD 275/ 2019	30 561,20	AC Security	Exceptional case whereby it is impossible or impractical to follow a normal procurement process
BVD 276/ 2019	40 400,00	X-Stream Lifesaving South Africa	Sole Provider
BVD 277/2019	13 800,00	CROUS Occupational	Exceptional case whereby it is impossible or impractical to follow a normal procurement process
Total	5 167 399,90		
[9]			
DEVIATIONS FOR THE MONTH: MAY 2019			
Deviation Reference	Amount	Service Provider	Deviation Category
BVD 278/ 2019	74 096,34	First Technology Western Cape (Pty) Ltd	Exceptional case whereby it is impossible or impractical to follow a normal procurement process
BVD 286/ 2019	59 073,15	Elton Shortles Attorneys Inc	Exceptional case whereby it is impossible or impractical to follow a normal procurement process
BVD 287/ 2019	29 549,18	Fairbridges Wertheim Becker Attorneys	Exceptional case whereby it is impossible or impractical to follow a normal procurement process
BVD 288/ 2019	40 250,00	Total Client Services	Exceptional case whereby it is impossible or impractical to follow a normal procurement process
BVD 279/2019	31 215,99	Vision Elevators	Exceptional case whereby it is impossible or impractical to follow a normal procurement process
BVD 281/ 2019	204 704,88	Capital Security	Exceptional case whereby it is impossible or impractical to follow a normal procurement process
BVD 282/ 2019	785 154,26	Media 24 Publications	Exceptional case whereby it is impossible or impractical to follow a normal procurement process
BVD 283/ 2019	318 150,64	Independent Newspapers	Exceptional case whereby it is impossible or impractical to follow a normal procurement process
BVD 284 / 2019	181 693,90	Various Accommodation Facilities	Exceptional case whereby it is impossible or impractical to follow a normal procurement process
BVD 285 / 2019	96 147,80	AC Security	Exceptional case whereby it is impossible or impractical to follow a normal procurement process
BVD 289/ 2019	304 568,46	Trentyre (Pty) Ltd	Exceptional case whereby it is impossible or impractical to follow a normal procurement process
BVD 290/ 2019	629 437,09	Supa Quick	Exceptional case whereby it is impossible or impractical to follow a normal procurement process
BVD 291/ 2019	87 980,73	Sure Boland	Exceptional case whereby it is impossible or impractical to follow a normal procurement process
Total	2 842 022,42		
[13]			



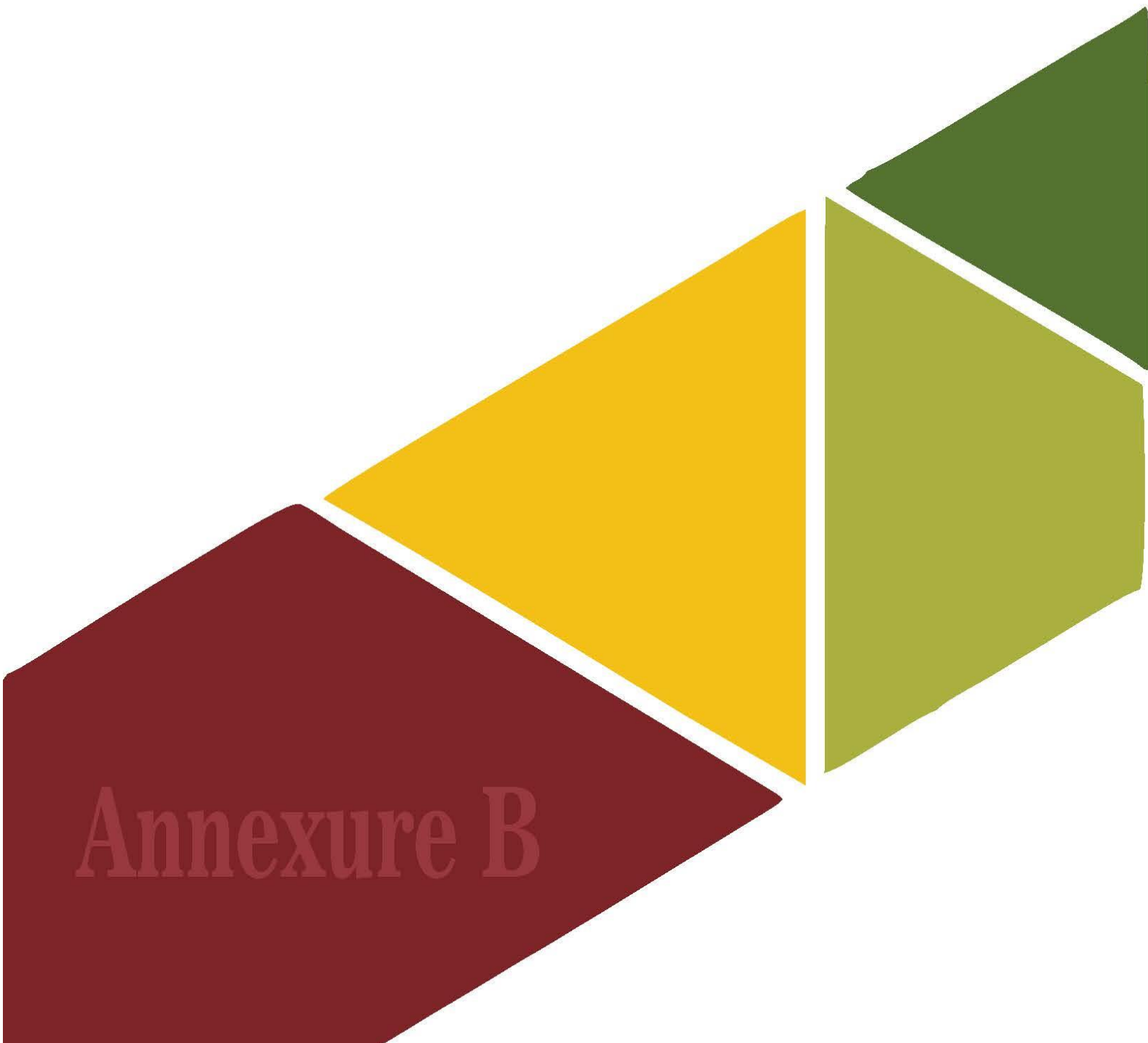
BREED VALLEY MUNICIPALITY			
Annual Financial Statements for the year ended 30 June 2019			
APPENDIX J: DEVIATIONS FOR THE 2018 2019 FINANCIAL YEAR			
DEVIATIONS FOR THE MONTH: JUNE 2019			
Deviation Reference	Amount	Service Provider	Deviation Category
BVD 292/2019	169 579,00	Surtech Solutions RSA (Pty) Ltd	Exceptional case whereby it is impossible or impractical to follow a normal procurement process
Total	169 579,00		
[1]			
Grand Total for the Year	23 726 505,40		
[74]			



BREDE VALLEY MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

APPENDIX K: INVESTMENTS

Date Invested	Institution	ID	Account Number	Confirmation	Rate	Period	Amount	Maturity Date	Withdrawn	Date Received	Receipt Number	Expected Interest	Interest Received	Difference
												0,00		0,00
25-Apr-18	FNB	274	74760329745	YES	7,26%	90	5 000 000	24-Jul-18	5 000 000	24-Jul-18	4000394409	89 506,85	89 506,84	0,01
25-Apr-18	NEDBANK	275	03/7881531576/247	YES	7,48%	91	5 000 000	25-Jul-18	5 000 000	25-Jul-18	2000287574	93 243,84	93 243,84	0,00
26-Jan-18	NEDBANK	265	03/7881531576/244	YES	8,05%	181	5 000 000	26-Jul-18	5 000 000	26-Jul-18	5000392325	199 595,89	199 595,89	0,00
26-Jan-18	FNB	266	71745026461	YES	8,00%	181	5 000 000	26-Jul-18	5 000 000	26-Jul-18	5000392350	198 356,16	198 356,16	0,00
												0,00		0,00
													580 702,73	
												0,00		0,00
25-Apr-18	ABSA	276	2077487118	YES	7,45%	121	5 000 000	24-Aug-18	5 000 000	24-Aug-18	5000393688	123 486,30	123 486,30	0,00
25-Apr-18	STANDARD	277	288460898-031	YES	7,475%	121	5 000 000	24-Aug-18	5 000 000	24-Aug-18	5000393701	123 900,68	123 900,68	0,00
26-Jul-18	NEDBANK	280	03/7881531576/252	YES	7,35%	32	5 000 000	27-Aug-18	5 000 000	27-Aug-18	5000393743	32 219,18	32 219,18	0,00
26-Jan-18	INVESTEC	267	JB 9664918	YES	7,85%	214	5 000 000	28-Aug-18	5 000 000	28-Aug-18	5000393791	230 123,29	230 123,29	0,00
												0,00		0,00
													509 729,45	
												0,00		0,00
25-Apr-18	NEDBANK	278	03/7881531576/248	YES	7,80%	153	5 000 000	25-Sep-18	5 000 000	25-Sep-18	4000397494	163 479,45	163 479,43	0,02
25-Apr-18	STANDARD	279	288460898-032	YES	7,65%	153	5 000 000	25-Sep-18	5 000 000	25-Sep-18	3000391801	160 335,62	160 335,62	0,00
26-Jul-18	FNB	281	74774802969	YES	7,17%	61	5 000 000	25-Sep-18	5 000 000	25-Sep-18	4000397495	59 913,70	59 913,69	0,01
26-Jul-18	ABSA	282	2077662988	YES	7,28%	62	5 000 000	26-Sep-18	5 000 000	26-Sep-18	4000397591	61 830,14	61 830,14	0,00
26-Jul-18	STANDARD	283	28840898-033	YES	7,275%	62	5 000 000	26-Sep-18	5 000 000	26-Sep-18	3000391887	61 787,67	61 787,67	0,00
26-Jul-18	INVESTEC	284	JB 9816590	YES	7,25%	62	5 000 000	26-Sep-18	5 000 000	26-Sep-18	3000391872	61 575,34	61 575,34	0,00
												0,00		0,00
													568 921,89	
												0,00		0,00
19-Sep-18	ABSA	290	2077767118	YES	7,32%	30	5 000 000	19-Oct-18	5 000 000	19-Oct-18	2000292630	30 082,19	30 082,19	0,00
26-Jul-18	NEDBANK	285	03/7881531576/253	YES	7,60%	91	5 000 000	25-Oct-18	5 000 000	25-Oct-18	3000393720	94 739,73	94 739,88	-0,15
26-Jul-18	ABSA	286	2077662996	YES	7,40%	92	5 000 000	26-Oct-18	5 000 000	26-Oct-18	3000393849	93 260,27	93 260,27	0,00
26-Jul-18	STANDARD	287	288460898-034	YES	7,425%	92	5 000 000	26-Oct-18	5 000 000	26-Oct-18	3000393848	93 575,34	93 575,34	0,00
												0,00		0,00
													311 657,68	
												0,00		0,00
19-Sep-18	ABSA	291	2077767443	YES	7,44%	61	5 000 000	19-Nov-18	5 000 000	19-Nov-18	5000397160	62 169,86	62 169,86	0,00
19-Sep-18	NEDBANK	292	03/7881531576/255	YES	7,60%	61	5 000 000	19-Nov-18	5 000 000	19-Nov-18	5000397142	63 506,85	63 506,85	0,00
												0,00	0,20	-0,20
26-Jul-18	NEDBANK	288	03/7881531576/254	YES	7,75%	123	5 000 000	26-Nov-18	5 000 000	26-Nov-18	5000397256	130 582,19	130 582,19	0,00
26-Jul-18	INVESTED	289	JB 9816593	YES	7,60%	123	5 000 000	26-Nov-18	5 000 000	26-Nov-18	5000397254	128 054,79	128 054,79	0,00
												0,00		0,00
													384 313,89	
												0,00		0,00
19-Sep-18	STANDARD	293	288460898-035	YES	7,725%	121	5 000 000	18-Jan-19	5 000 000	18-Jan-19	2000297786	128 044,52	128 044,52	0,00
22-Nov-18	NEDBANK	294	03/7881531576/256	YES	7,60%	61	5 000 000	22-Jan-19	5 000 000	22-Jan-19	4000403040	63 506,85	63 506,85	0,00
												0,00		0,00
													191 551,37	
												0,00		0,00
22-Nov-18	ABSA	295	2078013302	YES	7,55%	92	5 000 000	22-Feb-19	5 000 000	22-Feb-19	5000400190	95 150,68	95 150,68	0,00
29-Jan-19	ABSA	298	2078188818	YES	7,50%	30	5 000 000	28-Feb-19	5 000 000	28-Feb-19	5000400361	30 821,92	30 821,92	0,00
												0,00		0,00
													125 972,60	
												0,00		0,00
29-Jan-19	NEDBANK	299	03/7881531576/258	YES	7,70%	34	5 000 000	04-Mar-19	5 000 000	04-Mar-19	5000400586	35 863,01	35 863,01	0,00
22-Nov-18	NEDBANK	296	03/7881531576/257	YES	8,00%	120	5 000 000	22-Mar-19	5 000 000	22-Mar-19	3000401388	131 506,85	131 506,85	0,00
22-Nov-18	STANDARD	297	288460898-036	YES	7,725%	123	5 000 000	25-Mar-19	5 000 000	25-Mar-19	2000301634	130 160,96	130 160,96	0,00
21-Feb-19	NEDBANK	303	03/7881531576/260	YES	7,75%	32	5 000 000	25-Mar-19	5 000 000	25-Mar-19	2000301635	33 972,60	33 972,60	0,00
29-Jan-19	NEDBANK	300	03/7881531576/259	YES	7,85%	59	5 000 000	29-Mar-19	5 000 000	29-Mar-19	4000406851	63 445,21	63 445,21	0,00
												0,00		0,00
													394 948,63	
												0,00		0,00
29-Jan-19	ABSA	301	2078188826	YES	7,59%	62	5 000 000	01-Apr-19	5 000 000	01-Apr-19	5000401202	64 463,01	64 463,01	0,00
21-Feb-19	ABSA	304	2078256160	YES	7,60%	62	5 000 000	24-Apr-19	5 000 000	24-Apr-19	3000403072	64 547,95	64 547,95	0,00
25-Mar-19	NEDBANK	306	03/7881531576/261	YES	7,80%	32	5 000 000	26-Apr-19	5 000 000	26-Apr-19	2000303662	34 191,78	34 191,78	0,00
29-Jan-19	STANDARD	302	288460898-037	YES	7,55%	91	5 000 000	30-Apr-19	5 000 000	30-Apr-19	3000403341	94 116,44	94 116,44	0,00
												0,00		0,00
													257 319,18	
												0,00		0,00
21-Feb-19	STANDARD	305	288460898-038	YES	7,55%	90	5 000 000	22-May-19	5 000 000	22-May-19	5000402798	93 082,19	93 082,19	0,00
25-Mar-19	STANDARD	307	288460898-039	YES	7,50%	60	5 000 000	24-May-19	5 000 000	24-May-19	3000404588	61 643,84	61 643,84	0,00
25-Mar-19	NEDBANK	308	03/7881531576/262	YES	7,90%	63	5 000 000	27-May-19	5 000 000	27-May-19	4000409523	68 178,08	68 178,08	0,00
												0,00		0,00
													222 904,11	
												0,00		0,00
25-Mar-19	FNB	309	74806244469	YES	7,52%	91	5 000 000	24-Jun-19	5 000 000	24-Jun-19	5000403910	93 742,47	93 742,46	0,01
25-Apr-19	NEDBANK	310	03/7881531576/263	YES	7,85%	61	5 000 000	25-Jun-19	5 000 000	25-Jun-19	2000306433	65 595,89	65 595,89	0,00
25-Apr-19	FNB	311	74809565573	YES	7,44%	61	5 000 000	25-Jun-19	5 000 000	25-Jun-19	4000410832	62 169,86	62 169,86	0,00
25-Apr-19	STANDARD	312	288460898-040	YES	7,625%	61	5 000 000	25-Jun-19	5 000 000	25-Jun-19	3000406105	63 715,75	63 715,75	0,00
												0,00		0,00
													285 223,96	
												0,00		0,00
25-Apr-19	NEDBANK	313	03/7881531576/264	YES	7,90%	91	5 000 000	25-Jul-19				98 479,45		98 479,45
												0,00		0,00
													0,00	0,00
25-Apr-19	STANDARD	314	288460898-041	YES	7,975%	123	5 000 000	26-Aug-19				134 373,29		134 373,29
												0,00		0,00
													0,00	0,00
25-Apr-19	NEDBANK	315	03/7881531576/265	YES	8,20%	153	5 000 000	25-Sep-19						



Annexure B

Report of the auditor-general to the Western Cape Provincial Parliament and council on Breede Valley Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Breede Valley Municipality set out on pages 3 to 92, which comprise the statement of financial position as at 30 June 2019, and the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Breede Valley Municipality as at 30 June 2019, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2018 (Act No. 1 of 2018) (Dora).

Basis for the opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the municipality in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* and, parts 1 and 3 of the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA codes), as well as the 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 codes.
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 losses/impairment of debtors

7. As disclosed in note 31 of the financial statements, material losses to the amount of R62,8 million (2017-18: R112,2 million) were incurred as a result of provision for impairment on debtors.

Uncertainty relating to the future outcome of exceptional litigation

8. As disclosed in note 42 of the financial statements, the municipality is the defendant in a contractual claim. The municipality is opposing the claim. The ultimate outcome of the matter cannot currently be determined and no provision for any liability that may result has been made in the financial statements.

Other matters

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

Unaudited disclosure note

10. In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, we do not express an opinion thereon.

Unaudited supplementary

11. The supplementary information set out on pages 93 to 112 does not form part of the financial statements and is presented as additional information. We have not audited these schedules and, accordingly, we do not express an opinion thereon.

Responsibilities of accounting officer for the financial statements

12. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003)(MFMA) and the Division of Revenue Act of South Africa, 2017 (Act No. 3 of 2017) (Dora) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

13. In preparing the financial statements, the accounting officer is responsible for assessing the Breede Valley Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

14. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

16. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
17. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
18. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objectives presented in the annual performance report of the municipality for the year ended 30 June 2019:

Strategic objectives	Pages in the annual performance report
Strategic objective 1 – to assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practices	81-83
Strategic objective 6 – to provide and maintain basic services and ensure social upliftment of the Breede Valley community	86-92

19. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance

planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

20. I did not raise any material findings on the usefulness and reliability of the reported performance information for these objective:
- Strategic objective 1 – to assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practices
 - Strategic objective 6 – to provide and maintain basic services and ensure social upliftment of the Breede Valley community

Other matters

21. I draw attention to the matters below.

Achievement of planned targets

22. Refer to the annual performance report on pages 81 to 92 for information on the achievement of planned targets for the year and explanations provided for the over achievement of a significant number of targets.

Report on the audit of compliance with legislation

Introduction and scope

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

24. The material findings on compliance with specific matters in key legislations are as follows:

Human resource management compliance

25. Bonuses were paid to the municipal manager and senior managers before the annual report for the applicable performance year was tabled to and adopted by the council, in contravention with the municipal performance regulations for municipal managers and managers directly accountable to municipal managers 8(1).

Other information

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

27. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
28. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
29. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, and if I conclude that it contains a material misstatement, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. If it is corrected, however, this will not be necessary.

Internal control deficiencies

30. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
31. The annual report submitted to council for tabling before the bonuses were paid to senior management was incomplete as it didn't include the audited financial statements and the signed audit report.

Auditor-General

Cape Town

30 November 2019



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence



Annexure C