

NOTICE

Ref no.2/1/4/4/2

2020-06-11

**NOTICE OF THE 3rd COUNCIL MEETING OF
THE COUNCIL OF BREEDE VALLEY MUNICIPALITY
THURSDAY, 2020-06-11 AT 10:00**

TO The Speaker, Cllr N.P.Mercuur [Chairperson]
The Executive Mayor, Alderman A. Steyn (Ms)
The Deputy Executive Mayor, Cllr J.D. Levendal

COUNCILLORS	M.N. Bushwana	A.Pietersen
	K. Benjamin	
	R. Farao	P.C. Ramokhabi
	Alderman S.Goedeman	J. Robinson
	E.N. Isaacs	M. Sampson
	Alderman C. Ismail	E.Y. Sheldon
	M. Jacobs	I.L. Tshabile
	J.R.Jack	Alderman P.Tyira
	J.D.P.Jaftha	E.Van der Westhuizen
	J.P. Kritzinger	J.F. Van Zyl
	P.B.Langata	J.J. Von Willingh
	Z.M. Mangali	W.Vrolick
	T.Maridi	T.M. Wehr
	E.S.C. Matjan	N.P. Williams
	T. McThomas	
	S.J.Mei	M.T. Williams
	W.R.Meiring	C.F. Wilskut
		L. Willemse
	S.M. Mkhiwane	N.J. Wullschleger
	V.I. Mngcele	
	C.M. Mohobo	
	N.Nel	

Notice is hereby given in terms of Section 29, read with Section 18(2) of the *Local Government: Municipal Structures Act, 117 of 1998*, as amended, that the **3rd COUNCIL MEETING** of the **COUNCIL of BREEDE VALLEY MUNICIPALITY** will be held by means of a virtual platform on **THURSDAY, 2020-06-11 at 10:00** to consider the items on the Agenda.



SPEAKER
CLLR NP MERCUUR

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1. OPENING AND WELCOME

In terms of the Rules of Order for Internal Arrangement By-Law 2012 the chairperson must take the chair at the time stated in the notice of the meeting or as soon thereafter as is reasonably possible: provided that the meeting does not commence later than 30 (thirty) minutes after the time stated in the notice of the meeting and must proceed immediately with the business of the meeting.

2. OFFICIAL NOTICES**2.1 DISCLOSURE OF INTERESTS**

Item 5 of the Code of Conduct for councillors' states:

A councillor must –

- (a) disclose to the council, or any committee of which that councillor is a member, any direct or indirect personal or private business interest that that councillor or any spouse, partner or business associate of that councillor may have in any matter before the council or the committee; and
- (b) withdraw from the proceedings of the council or committee when that matter is considered by the council or committee, unless the council or committee decides that the councillors' direct or indirect interest in the matter is trivial or irrelevant.

2.2 APPLICATIONS FOR LEAVE OF ABSENCE

In terms of the Rules of Order for Internal Arrangement By-Law 2012;

- 2.2.1 Every Councillor attending a meeting of the Council must sign his or her name in the attendance register kept for such purpose.
 - 2.2.2 A Councillor must attend each meeting except when –
 - (a) Leave of absence is granted in terms of Clause 10; or
 - (b) The Councillor is required to withdraw in terms of law.
 - 2.2.3 The Attendance Registers will be available at the meeting.
 - 2.2.4 A blank Application for Leave of Absence form is enclosed.
-

3. COMMUNICATION**3.1 INTERVIEWS OR PRESENTATIONS BY DEPUTATIONS**

In terms of the Rules of Order for Internal Arrangement By-Law 2012;

*"A deputation seeking an interview with Council must give the Municipal Manager **6 (six) days** written notice of its intention and furnish details of the representations to be made and the source of the deputation. The Municipal Manager must submit a request by a deputation for an interview with Council to the Speaker, who may decide to grant or refuse an interview and under what conditions*

3.2 BIRTHDAYS OF COUNCILLORS

Cllr E.S.C. Matjan	10 April 2020
Cllr N.P. Williams	14 April 2020
Cllr S.J. Mei	4 May 2020
Cllr J.P. Kritzinger	8 May 2020
Cllr J.D. Levendal	23 May 2020
Cllr J.F. Van Zyl	4 June 2020
Cllr M.N. Bushwana	21 June 2020
Cllr A. Pietersen	9 July 2020
Cllr I. Tshabile	15 July 2020
Cllr J.D.P. Jaftha	20 July 2020
Cllr J.R. Jack	25 July 2020

3.4 STATEMENTS BY THE SPEAKER**3.5 STATEMENTS BY THE EXECUTIVE MAYOR**

4. CONFIRMATION OF MINUTES

- 4.1 In terms of the Rules of Order for Internal Arrangement By-Law 2012;
- (a) Minutes of the proceedings of meetings must be compiled in printed form and be confirmed by the Council at the next meeting and signed by the Speaker.
 - (b) The minutes shall be taken as read, for the purpose of confirmation, if a copy thereof was sent to each Councillor within forty-eight hours before the next meeting, subject to the provisions of sub-Clause (4).
 - (c) No motion or discussion shall be allowed on the minutes, except in connection with the correctness thereof.
 - (d) The minutes formulated and screened during meetings, shall constitute a resolution for purposes of implementation of decisions.

4.2 Council Meeting held on 25 February 2020 (Copy enclosed)

RECOMMENDATION
That in respect of

**CONFIRMATION OF MINUTES OF PREVIOUS COUNCIL MEETING
discussed by Council at the Council Meeting held on 11 June 2020:**

1. As the Minutes of the Council Meeting held on 25 February 2020 were sent to each councillor at least forty-eight hours prior to the meeting, the minutes of the Council meeting held 25 February 2020 be taken as read and confirmed.
-

4.3 Special Council Meeting held on 26 March 2020 (Copy enclosed)

RECOMMENDATION

That in respect of

**CONFIRMATION OF MINUTES OF PREVIOUS SPECIAL COUNCIL MEETING
discussed by Council at the Council meeting held on 11 June 2020:**

1. As the Minutes of the Special Council Meeting held on 26 March 2020 were sent to each councillor at least forty-eight hours prior to the meeting, the minutes of the Special Council meeting held 26 March 2020 be taken as read and confirmed.
-

4.4 Special Council Meeting held on 28 May 2020 (Copy enclosed)

RECOMMENDATION

That in respect of

**CONFIRMATION OF MINUTES OF PREVIOUS COUNCIL MEETING
discussed by Council at the Council meeting held on 11 June 2020:**

1. As the Minutes of the Special Council Meeting held on 28 May 2020 were sent to each councillor at least forty-eight hours prior to the meeting, the minutes of the Special Council meeting held 28 May 2020 be taken as read and confirmed.
-

**5. REPORT BY THE EXECUTIVE MAYOR ON DECISIONS TAKEN BY THE
EXECUTIVE MAYOR, THE EXECUTIVE MAYOR TOGETHER WITH THE DEPUTY
EXECUTIVE MAYOR AND THE MAYORAL COMMITTEE**

5.1 The Deputy Executive Mayor: Cllr. J.D. Levendal

5.2 MMC1: Cllr. M. Sampson

5.3 MMC 3: Cllr. J.P. Kritzinger

5.4 MMC 4: Cllr. R. Faroa

5.5 MMC 5: Cllr. S.J. Mei

5.6 MMC 6: Cllr. E.Y. Sheldon

5.7 MMC 7: Cllr. W.R. Meiring

5.8 MMC 8: Cllr. J.F. Van Zyl

5.9 MMC 9: Cllr J.J. Von Willingh

6. CONSIDERATION OF AGENDA ITEMS**6.1 ADDITIONAL ALLOCATIONS - ADJUSTMENTS BUDGET 2019/2020****JUNE 2020****File No. /s:** 3/2/2/19**Responsible Official:** R Ontong**Directorate:** Financial Services**Portfolio:** Financial Services

1. Purpose:

To submit an Adjustments budget for the 2019/2020 financial year as a result of amendments / adjustments to allocations from National Government, Provincial Government and Cape Winelands District Municipality during the 2019/20 financial year.

2. Background:

In terms of the MFMA (Section 28) the approved budget may be revised through an adjustments budget.

A. Section 28(2) further provides that; An Adjustments budget -

- Must adjust the revenue and expenditure estimates downwards if there is a material under-collection of revenue during the year;
 - May appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmed already budgeted for;
 - May, within the prescribed framework, authorize unforeseen and unavoidable expenditure recommended by the Mayor;
-

- May authorize the utilization of projected savings in one vote towards spending under another vote;
- May authorize the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by council;
- May correct any errors in the annual budget, and
- May provide for any other expenditure within a prescribed framework.

Municipal Budget and Reporting Regulations further provides that;

B. Timeframes for tabling of adjustment budgets

- An adjustment budget referred to in section 28(2)(b), (d) and (f) of the Act may be tabled in the Municipal Council at any time after the mid-year budget and performance assessment has been tabled in the council, but not later than 28 February of the current year;
- Only one adjustment budget referred to in sub regulations (1) may be tabled in the municipal council during a financial year, except when the additional revenues contemplated in section 28(2)(b) of the Act are allocations to a Municipality in a National or Provincial adjustments budget, in which case sub regulation (3) applies. If a National or provincial adjustment budget allocates or transfer additional revenue to a Municipality, the Mayor of the Municipality must, at the next available council meeting, but within 60 days of the approval of the relevant National or Provincial adjustment budget, table an adjustment budget referred to in section 28(2) (b) of the Act in the Municipal council to appropriate these additional.

Government Gazette 30 March 2020 No. 43181 – Exemption Notice

Exemption

2. Subject to the condition in paragraph 3, municipalities and municipal entities are exempted from a provision of the Act which requires any action to be taken between the date of publication of this notice and the date that the national state of disaster lapses
- or is terminated in terms of section 27(5) of the Disaster Management Act, 2002.

Condition

3. (1) Any action referred to paragraph 2 must be taken within 30 days after the national state of disaster lapsed or is terminated.
- (2) Municipal councils may pass a special adjustment budget before the end of the 2019/2020 municipal financial year to authorise all expenditure linked to the emergency to address the COVID-19 pandemic.

As per the Annexure to MFMA Circular No 99 for 2020-21 MTREF "Municipalities should note that only one adjustments budget will be allowed between the date of the declaration of the national state of disaster and 15 June 2020, which is the date when it is envisaged to end in terms of the DMA. Municipalities should therefore plan the date when the municipal council will pass the adjustments budget carefully to ensure that all related expenditure is authorised in this one special adjustments budget."

3. Financial Implications:

Financial implications are contained in the detail in this report.

4. Applicable Legislation / Council Policy:

1. The MFMA Section 28, 30 and 16(3)
 2. Municipal Budget and Reporting Regulations
-

3. Council Budget related Policies
 4. Government Gazette 30 March 2020 No. 43181 – Exemption Notice
 5. Annexure to MFMA Circular No 99 for 2020-21 MTREF
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ADJUSTMENTS BUDGET SCHEDULE B REPORT 2019/20



BREDE VALLEY

MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

11 JUNE 2020

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SECTION A – Part 1

1. Glossary

Adjustments Budgets – Prescribed in section 28 of the Municipal Finance Management Act. It is the formal means by which a municipality may revise its budget during a financial year.

Allocations – Money received from Provincial and National Treasury.

Budget – The financial plan of a municipality.

Budget related policy – Policy of a municipality affecting or affected by the budget.

Capital Expenditure – Spending on municipal assets such as land, buildings and vehicles. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.

Cash Flow Statement – A statement showing when actual cash will be received and spent by the Municipality, and the month end balances of cash and short term investments.

DORA – Division of Revenue Act. The annual piece of legislation that indicate the allocations from National Government to Local Government.

Equitable Share – A general grant paid to municipalities. It is predominantly targeted to assist with free basic services.

GDFI - Gross Domestic Fixed Investment

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates comparisons between municipalities.

IDP – Integrated Development Plan. The main strategic planning document of a Municipality.

KPI – Key Performance Indicators. Measures of service output and/or outcome.

LM – Breede Valley Municipality.

MFMA - Municipal Finance Management Act (No 53 of 2003). The principle piece of legislation relating to municipal financial management.

MTREF – Medium Term Revenue and Expenditure Framework as prescribed by the MFMA sets out indicative revenue and projected expenditure for the budget year plus two outer financial years to determine the affordability level.

Operating Expenditure – Spending on the day to day expenses of a municipality such as general expenses, salaries & wages and repairs & maintenance.

Rates – Local Government tax based on assessed valuation of a property.

TMA – Total Municipal Account

SDBIP – Service Delivery Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic Objectives – The main priorities of a municipality as set out in the IDP Budgeted spending must contribute towards achievement of these strategic objectives.

Vote – One of the main segments into which a budget is divided, usually at department level.

COVID 19 – Corona Virus Disease 2019

Abbreviations and Acronyms

AMR	Automated Meter Reading
ASGISA	Accelerated and Shared Growth Initiative
BPC	Budget Planning Committee
CBD	Central Business District
CFO	Chief Financial Officer
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DBSA	Development Bank of South Africa
DoRA	Division of Revenue Act
DWA	Department of Water Affairs
EE	Employment Equity
EEDSM	Energy Efficiency Demand Side Management
EM	Executive Mayor
FBS	Free basic services

GAMAP	Generally Accepted Municipal Accounting Practice
GDP	Gross domestic product
GDS	Gauteng Growth and Development Strategy
GFS	Government Financial Statistics
GRAP	General Recognised Accounting Practice
HR	Human Resources
HSRC	Human Science Research Council
IDP	Integrated Development Strategy
IT	Information Technology
kℓ	kilolitre
km	kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt-hour
ℓ	litre
LED	Local Economic Development
MEC	Member of the Executive Committee
MFMA	Municipal Financial Management Act
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MMC	Member of Mayoral Committee
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Electricity Regulator South Africa
NGO	Non-Governmental organisations
NKPIs	National Key Performance Indicators

OHS	Occupational Health and Safety
OP	Operational Plan
PBO	Public Benefit Organisations
PHC	Provincial Health Care
PMS	Performance Management System
PPE	Property Plant and Equipment
PPP	Public Private Partnership
PTIS	Public Transport Infrastructure System
RG	Restructuring Grant
RSC	Regional Services Council
SALGA	South African Local Government Association
SAPS	South African Police Service
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprises

2. Mayors Report

Breede Valley Municipality received the following additional allocations for COVID 19 relief:

- National Government: R298 000.00 (Municipal Disaster Relief Grant)
- Provincial Government: R850 000.00 (Local Government Support Grant - Provincial Gazette Extrordinary 8232, Friday, 24 April 2020)
- Cape Winelands District Municipality: R2 000 000.00

All conditional grants / funds allocated and transferred to the Breede Valley Municipality will be utilised within the limitations of the conditions and timeframes during the 2019/20 financial year.

We as a municipality will continuously strive to successfully implement all projects, especially the projects funded from external sources such as grants.

3. Resolutions

That council approves the following:

- (a) To approve the adjustments budget as tabled in terms of Government Gazette 30 March 2020 No. 43181 – Exemption Notice and Annexure to MFMA Circular No 99 for 2020-21 MTREF
- (b) The recommendations regarding resolutions are contained at the end of this report and have been prepared and presented according to the budget regulations.

4. Executive Summary

The 2019/20 budget of Breede Valley Municipality is adjusted to accommodate the following amendments / additional allocations from National Government, Provincial Government and Cape Winelands District Municipality.

The additional / amended allocations relate to the following grants:

NAME OF GRANT	R
National Government: (Municipal Disaster Relief Grant) Water tanks and Materials & Supplies	298 000
Provincial Government: (Local Government Support Grant - Provincial Gazette Extraordinary 8232, Friday, 24 April 2020) Humanitarian Relief	850 000
Cape Winelands District Municipality: Materials & Supplies	2 000 000

The 2019/20 Adjustments Budget was compiled in accordance with Government Gazette 30 March 2020 No. 43181 – Exemption Notice and Annexure to MFMA Circular No 99 for 2020-21 MTREF

In compiling the 2019/2020 Adjustments Budget, the importance of credibility, sustainability, responsiveness and affordability remains integral in striving to achieve the desired outcome of effective and efficient service delivery and relief in terms of the Corona Virus Disease.

Further, as per the Annexure to MFMA Circular No 99 for 2020-21, the municipality is guided by the following generic principles:

- **Strategic Management** – Extraordinary operations / scenario's and balance decision making within the legal framework
- **Supply Chain Management** – Adapting of procurement rules as per MFMA Circular No 100
- **Donations and sponsorship** – Reporting on donations and sponsorship in line with MFMA Circular No 100
- **Disaster Response Plans** – commit to pre-approved response plans, adjusted as necessary, and guard against deviations from established disaster response frameworks
- **Risk Assessment and Mitigation** - conduct a localised risk assessment to help identify areas of most pressing need.
- **Revenue Management** - Revenue streams must be actively protected to mitigate the financial impact of COVID-19. Most business and households will feel the financial impact of COVID-19 (albeit to a varying degree) and will likely reprioritise their own spending patterns
- **Expenditure Management** - All non-essential spending should be curtailed to optimise savings that can in turn be applied for disaster relief.

Please refer to the Annexure for the detailed principles.

B1 Consolidated Adjustments Budget Summary

Description	Budget Year 2019/20									Budget Year +1 2020/21	Budget Year +2 2021/22
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	1 A1	2 B	3 C	4 D	5 E	6 F	7 G	8 H		
Financial Performance											
Property rates	139 998	139 998	-	-	-	-	-	-	139 998	148 398	157 302
Service charges	603 781	603 781	-	-	-	-	-	-	603 781	639 516	673 461
Investment revenue	11 854	11 854	-	-	-	-	-	-	11 854	12 518	13 265
Transfers recognised - operational	259 006	186 339	-	-	-	2 988	-	2 988	189 327	256 290	237 607
Other own revenue	161 121	249 756	-	-	-	-	(0)	(0)	249 756	161 471	168 571
Total Revenue (excluding capital transfers and contributions)	1 175 760	1 191 728	-	-	-	2 988	(0)	2 988	1 194 716	1 218 193	1 250 210
Employee costs	336 104	315 738	-	-	-	-	(400)	(400)	315 338	365 646	397 413
Remuneration of councillors	18 780	18 780	-	-	-	-	-	-	18 780	20 095	21 502
Depreciation & asset impairment	91 139	91 139	-	-	-	-	-	-	91 139	96 242	102 017
Finance charges	23 654	23 654	-	-	-	-	-	-	23 654	22 833	24 203
Materials and bulk purchases	321 263	327 276	-	-	-	2 138	4 267	6 405	333 681	339 323	359 793
Transfers and grants	125 484	52 739	-	-	-	850	400	1 250	53 989	118 395	89 483
Other expenditure	255 482	325 173	-	-	-	-	(3 747)	(3 747)	321 426	259 589	269 650
Total Expenditure	1 171 905	1 154 499	-	-	-	2 988	520	3 508	1 158 007	1 222 122	1 264 060
Surplus/(Deficit)	3 855	37 230	-	-	-	-	(520)	(520)	36 710	(3 929)	(13 850)
Transfers recognised - capital	110 102	115 835	-	-	-	160	-	160	115 995	75 230	56 781
Contributions recognised - capital & contributed assets	-	185	-	-	-	-	-	-	185	-	-
Surplus/(Deficit) after capital transfers & contributions	113 957	153 249	-	-	-	160	(520)	(360)	152 889	71 301	42 930
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	113 957	153 249	-	-	-	160	(520)	(360)	152 889	71 301	42 930
Capital expenditure & funds sources											
Capital expenditure	191 723	198 156	-	-	-	110	-	110	198 266	136 731	109 334
Transfers recognised - capital	110 102	116 070	-	-	-	110	-	110	116 180	75 230	56 781
Borrowing	-	162	-	-	-	-	-	-	162	-	-
Internally generated funds	81 621	81 925	-	-	-	-	-	-	81 925	61 501	52 547
Total sources of capital funds	191 723	198 156	-	-	-	110	-	110	198 266	136 731	109 334
Financial position											
Total current assets	347 239	357 561	-	-	-	-	(383)	(383)	357 178	388 317	435 886
Total non current assets	2 382 017	2 388 451	-	-	-	110	-	110	2 388 561	2 422 117	2 429 085
Total current liabilities	120 863	120 863	-	-	-	-	-	-	120 863	128 085	135 796
Total non current liabilities	428 590	428 590	-	-	-	-	-	-	428 590	419 886	409 900
Community wealth/Equity	2 179 803	2 196 558	-	-	-	110	(383)	(273)	2 196 285	2 262 463	2 319 277
Cash flows											
Net cash from (used) operating	195 970	210 018	-	-	-	110	(383)	(273)	209 745	159	

The table above is a budget summary and provides a concise overview of Breede Valley Municipality's budget from all the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).

The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.

B2 Consolidated Adjustments Budget Financial Performance by Standard Classification

WC025 Breede Valley - Table B2 Adjustments Budget Financial Performance (functional classification) - 11 June 2020

Standard Description	Ref	Budget Year 2019/20									Budget Year +1 2020/21	Budget Year +2 2021/22
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1, 4	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
Revenue - Functional												
<i>Governance and administration</i>		202 484	205 595	-	-	-	2 988	(200)	2 788	208 383	213 198	225 764
Executive and council		147	647	-	-	-	2 000	-	2 000	2 647	1 055	164
Finance and administration		202 337	204 948	-	-	-	988	(200)	788	205 736	212 144	225 600
Internal audit		-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		169 899	99 371	-	-	-	-	(4 715)	(4 715)	94 655	159 358	133 382
Community and social services		11 585	11 585	-	-	-	-	-	-	11 585	11 744	12 508
Sport and recreation		11 374	11 374	-	-	-	-	-	-	11 374	6 012	6 388
Public safety		1 577	1 577	-	-	-	-	-	-	1 577	1 754	1 873
Housing		145 363	74 835	-	-	-	-	(4 715)	(4 715)	70 119	139 847	112 612
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		153 865	243 568	-	-	-	-	-	-	243 568	137 189	136 462
Planning and development		6 823	7 890	-	-	-	-	-	-	7 890	1 679	1 780
Road transport		144 780	233 416	-	-	-	-	-	-	233 416	135 510	134 682
Environmental protection		2 262	2 262	-	-	-	-	-	-	2 262	-	-
<i>Trading services</i>		759 614	759 114	-	-	-	160	4 915	5 075	764 190	783 678	811 388
Energy sources		437 077	437 084	-	-	-	-	4 715	4 715	441 800	465 633	491 393
Water management		122 146	122 139	-	-	-	160	200	360	122 499	119 753	121 195
Waste water management		134 983	134 483	-	-	-	-	-	-	134 483	138 059	134 557
Waste management		65 408	65 408	-	-	-	-	-	-	65 408	60 233	64 244
<i>Other</i>		-	100	-	-	-	-	-	-	100	-	-
Total Revenue - Functional	2	1 285 862	1 307 748	-	-	-	3 148	(0)	3 148	1 310 896	1 293 423	1 306 997
Expenditure - Functional												
<i>Governance and administration</i>		226 021	226 141	-	-	-	2 988	1 442	4 430	230 571	236 662	251 267
Executive and council		35 162	36 677	-	-	-	2 000	(138)	1 862	38 539	38 476	40 160
Finance and administration		186 804	185 867	-	-	-	988	1 600	2 588	188 455	193 850	206 470
Internal audit		4 055	3 597	-	-	-	-	(20)	(20)	3 577	4 336	4 637
<i>Community and public safety</i>		227 544	146 036	-	-	-	-	2 300	2 300	148 336	227 342	207 069
Community and social services		24 705	23 258	-	-	-	-	411	411	23 669	26 148	28 042
Sport and recreation		29 926	29 469	-	-	-	-	(49)	(49)	29 420	32 212	35 551
Public safety		31 462	30 741	-	-	-	-	39	39	30 780	33 607	35 925
Housing		141 345	62 468	-	-	-	-	1 900	1 900	64 368	135 262	107 433
Health		106	100	-	-	-	-	-	-	100	112	119
<i>Economic and environmental services</i>		173 603	244 113	-	-	-	-	(548)	(548)	243 566	177 821	184 524
Planning and development		15 789	15 844	-	-	-	-	(198)	(198)	15 646	16 873	18 033
Road transport		154 155	225 468	-	-	-	-	(350)	(350)	225 118	159 461	164 906
Environmental protection		3 658	2 802	-	-	-	-	-	-	2 802	1 487	1 585
<i>Trading services</i>		543 855	534 269	-	-	-	-	(1 220)	(1 220)	533 049	579 362	620 209
Energy sources		373 300	367 523	-	-	-	-	(43)	(43)	367 480	396 262	422 447
Water management		61 945	61 306	-	-	-	-	(706)	(706)	60 600	66 632	72 723
Waste water management		61 754	58 674	-	-	-	-	155	155	58 829	65 587	70 282
Waste management		46 856	46 765	-	-	-	-	(626)	(626)	46 139	50 882	54 757
<i>Other</i>		882	3 940	-	-	-	-	(1 455)	(1 455)	2 485	935	991
Total Expenditure - Functional	3	1 171 905	1 154 499	-	-	-	2 988	520	3 508	1 158 007	1 222 122	1 264 060
Surplus/ (Deficit) for the year		113 957	153 249	-	-	-	160	(520)	(360)	152 889	71 301	42 936

Table B2 above is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The GFS standard classification divides the municipal services into 15 functional areas.

Total Revenue on this table includes capital revenues (Transfers recognized – capital) and so does not balance to the operating revenue shown on Table B4.

B3 Consolidated Adjustments Budget Financial Performance by Municipal Vote

WC025 Breede Valley - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 11 June 2020

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2019/20									Budget Year +1 2020/21	Budget Year +2 2021/22
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands												
Revenue by Vote	1											
Vote 1 - Council General		147	147	-	-	-	-	-	-	147	155	164
Vote 2 - Municipal Manager		7 103	8 170	-	-	-	2 000	-	2 000	10 170	1 820	975
Vote 3 - Strategic Support Services		1 896	2 261	-	-	-	-	(0)	(0)	2 261	384	407
Vote 4 - Financial Services		195 104	197 264	-	-	-	988	(200)	788	198 052	207 176	220 335
Vote 5 - Community Services		298 864	317 158	-	-	-	-	(4 715)	(4 715)	312 442	287 864	267 010
Vote 6 - Technical Services		782 748	782 748	-	-	-	160	4 915	5 075	787 823	796 024	818 106
Vote 7 -		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1 285 862	1 307 748	-	-	-	3 148	(0)	3 148	1 310 896	1 293 423	1 306 997
Expenditure by Vote	1											
Vote 1 - Council General		31 992	31 945	-	-	-	-	(108)	(108)	31 837	34 185	36 534
Vote 2 - Municipal Manager		10 657	11 402	-	-	-	2 000	(72)	1 928	13 330	12 293	12 181
Vote 3 - Strategic Support Services		59 013	60 191	-	-	-	-	607	607	60 798	62 916	67 088
Vote 4 - Financial Services		89 078	89 235	-	-	-	988	(1 529)	(541)	88 693	93 041	99 037
Vote 5 - Community Services		334 757	329 630	-	-	-	-	1 534	1 534	331 164	332 951	313 518
Vote 6 - Technical Services		646 409	632 097	-	-	-	-	88	88	632 185	686 736	735 702
Vote 7 -		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1 171 905	1 154 499	-	-	-	2 988	520	3 508	1 158 007	1 222 122	1 264 060
Surplus/ (Deficit) for the year	2	113 957	153 249	-	-	-	160	(520)	(360)	152 889	71 301	42 936

Table B3 above is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure Breede Valley Municipality. This means it is possible to present the operating surplus or deficit of a vote.

B4 Consolidated Adjustments Budget Financial Performance (Revenue and Expenditure)

WC025 Breede Valley - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 11 June 2020

Description	Ref	Budget Year 2019/20									Budget Year +1 2020/21	Budget Year +2 2021/22
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavold.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1	A	A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
Revenue By Source												
Property rates	2	139 998	139 998	-	-	-	-	-	-	139 998	148 398	157 302
Service charges - electricity revenue	2	418 573	418 573	-	-	-	-	-	-	418 573	442 605	464 735
Service charges - water revenue	2	72 274	72 274	-	-	-	-	-	-	72 274	76 610	81 207
Service charges - sanitation revenue	2	72 847	72 847	-	-	-	-	-	-	72 847	77 969	82 647
Service charges - refuse revenue	2	40 088	40 088	-	-	-	-	-	-	40 088	42 332	44 872
Rental of facilities and equipment		10 589	10 589	-	-	-	-	-	-	10 589	9 036	9 578
Interest earned - external investments		11 854	11 854	-	-	-	-	-	-	11 854	12 518	13 269
Interest earned - outstanding debtors		6 158	6 158	-	-	-	-	-	-	6 158	6 528	6 920
Dividends received		-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		118 474	207 109	-	-	-	-	-	-	207 109	118 556	123 081
Licences and permits		3 616	3 616	-	-	-	-	-	-	3 616	3 818	4 047
Agency services		8 230	8 230	-	-	-	-	-	-	8 230	8 690	9 212
Transfers and subsidies		259 006	186 339	-	-	-	2 988	-	2 988	189 327	256 290	237 607
Other revenue	2	12 798	12 798	-	-	-	-	(0)	(0)	12 798	13 515	14 326
Gains on disposal of PPE		1 257	1 257	-	-	-	-	-	-	1 257	1 327	1 407
Total Revenue (excluding capital transfers and contributions)		1 175 760	1 191 728	-	-	-	2 988	(0)	2 988	1 194 716	1 218 193	1 250 210
Expenditure By Type												
Employee related costs		336 104	315 738	-	-	-	-	(400)	(400)	315 338	365 646	397 413
Remuneration of councillors		18 780	18 780	-	-	-	-	-	-	18 780	20 095	21 502
Debt impairment		98 058	173 398	-	-	-	-	-	-	173 398	99 280	100 663
Depreciation & asset impairment		91 139	91 139	-	-	-	-	-	-	91 139	96 242	102 017
Finance charges		23 654	23 654	-	-	-	-	-	-	23 654	22 833	24 203
Bulk purchases		296 838	302 538	-	-	-	-	(10)	(10)	302 528	314 048	332 891
Other materials		24 425	24 739	-	-	-	2 138	4 277	6 415	31 154	25 276	26 902
Contracted services		82 705	83 042	-	-	-	-	(3 884)	(3 884)	79 158	81 135	85 019
Transfers and subsidies		125 484	52 739	-	-	-	850	400	1 250	53 989	118 395	89 483
Other expenditure		71 229	65 244	-	-	-	-	137	137	65 381	75 489	80 063
Loss on disposal of PPE		3 489	3 489	-	-	-	-	-	-	3 489	3 684	3 905
Total Expenditure		1 171 905	1 154 499	-	-	-	2 988	520	3 508	1 158 007	1 222 122	1 264 060
Surplus/(Deficit)		3 855	37 230	-	-	-	-	(520)	(520)	36 710	(3 929)	(13 851)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		110 102	115 835	-	-	-	160	-	160	115 995	75 230	56 787
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	185	-	-	-	-	-	-	185	-	-
Surplus/(Deficit) before taxation		113 957	153 249	-	-	-	160	(520)	(360)	152 889	71 301	42 936
Taxation		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		113 957	153 249	-	-	-	160	(520)	(360)	152 889	71 301	42 936
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		113 957	153 249	-	-	-	160	(520)	(360)	152 889	71 301	42 936
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		113 957	153 249	-	-	-	160	(520)	(360)	152 889	71 301	42 936

Table B4 above is a view of the budgeted financial performance in relation to the revenue by source and expenditure by type.

B5 Consolidated Adjustments Budget Capital Expenditure Vote and Funding

WC025 Breede Valley - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 11 June 2020

Description	Ref	Budget Year 2019/20									Budget Year +1 2020/21	Budget Year +2 2021/22
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
Capital expenditure - Vote												
Multi-year expenditure to be adjusted	2											
Vote 1 - Council General		-	5	-	-	-	-	-	-	5	-	-
Vote 2 - Municipal Manager		-	4 030	-	-	-	-	-	-	4 030	-	-
Vote 3 - Strategic Support Services		-	1 122	-	-	-	-	122	122	1 243	-	-
Vote 4 - Financial Services		-	1 450	-	-	-	(50)	-	(50)	1 400	-	-
Vote 5 - Community Services		8 480	2 765	-	-	-	-	-	-	2 765	3 000	10 773
Vote 6 - Technical Services		76 043	36 649	-	-	-	-	-	-	36 649	99 801	92 480
Vote 7 -		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	3	84 523	46 021	-	-	-	(50)	122	72	46 093	102 801	103 252
Single-year expenditure to be adjusted	2											
Vote 1 - Council General		5	5	-	-	-	-	(5)	(5)	-	5	5
Vote 2 - Municipal Manager		5 105	2 137	-	-	-	-	5	5	2 142	5	5
Vote 3 - Strategic Support Services		1 422	1 385	-	-	-	-	(122)	(122)	1 263	5	5
Vote 4 - Financial Services		2 255	825	-	-	-	-	-	-	825	805	805
Vote 5 - Community Services		7 986	2 459	-	-	-	-	-	-	2 459	2 535	5
Vote 6 - Technical Services		90 426	145 324	-	-	-	160	-	160	145 484	30 575	5 256
Vote 7 -		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		107 199	152 135	-	-	-	160	(122)	38	152 173	33 930	6 081
Total Capital Expenditure - Vote		191 723	198 156	-	-	-	110	-	110	198 266	136 731	109 334
Capital Expenditure - Functional												
Governance and administration		3 312	4 459	-	-	-	(50)	-	(50)	4 409	2 625	825
Executive and council		10	10	-	-	-	-	-	-	10	10	10
Finance and administration		3 302	4 449	-	-	-	(50)	-	(50)	4 399	2 615	815
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		17 561	7 175	-	-	-	-	-	-	7 175	6 030	10 773
Community and social services		7 766	1 029	-	-	-	-	-	-	1 029	3 030	8 000
Sport and recreation		7 971	4 658	-	-	-	-	-	-	4 658	2 500	-
Public safety		1 824	1 488	-	-	-	-	-	-	1 488	500	2 773
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		27 560	58 797	-	-	-	-	-	-	58 797	22 836	8 500
Planning and development		5 100	6 167	-	-	-	-	-	-	6 167	-	-
Road transport		22 460	52 630	-	-	-	-	-	-	52 630	22 836	8 500
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		143 290	127 726	-	-	-	160	-	160	127 886	105 239	89 236
Energy sources		30 595	36 845	-	-	-	-	-	-	36 845	26 008	29 009
Water management		40 727	29 760	-	-	-	160	-	160	29 920	34 572	35 921
Waste water management		48 665	37 819	-	-	-	-	-	-	37 819	44 660	18 671
Waste management		23 303	23 303	-	-	-	-	-	-	23 303	-	5 635
Other		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	191 723	198 156	-	-	-	110	-	110	198 266	136 731	109 334
Funded by:												
National Government		44 502	44 452	-	-	-	160	-	160	44 612	51 230	56 787
Provincial Government		65 100	70 933	-	-	-	(50)	-	(50)	70 883	24 000	-
District Municipality		500	500	-	-	-	-	-	-	500	-	-
Other transfers and grants		-	185	-	-	-	-	-	-	185	-	-
Transfers recognised - capital	4	110 102	116 070	-	-	-	110	-	110	116 180	75 230	56 787
Borrowing		-	162	-	-	-	-	-	-	162	-	-
Internally generated funds		81 621	81 925	-	-	-	-	-	-	81 925	61 501	52 547
Total Capital Funding		191 723	198 156	-	-	-	110	-	110	198 266	136 731	109 334

Table B5 is a breakdown of the capital programmed in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments

B6 Consolidated Adjustments Budget Financial Position

WC025 Breede Valley - Table B6 Adjustments Budget Financial Position - 11 June 2020

Description	Ref	Budget Year 2019/20									Budget Year +1 2020/21	Budget Year +2 2021/22
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
ASSETS												
Current assets												
Cash		74 388	71 414	-	-	-	-	(383)	(383)	71 031	85 234	101 048
Call investment deposits	1	40 000	40 000	-	-	-	-	-	-	40 000	40 000	40 000
Consumer debtors	1	150 394	150 394	-	-	-	-	-	-	150 394	176 396	203 698
Other debtors		66 081	79 376	-	-	-	-	-	-	79 376	69 385	72 854
Current portion of long-term receivables		524	524	-	-	-	-	-	-	524	498	473
Inventory		15 853	15 853	-	-	-	-	-	-	15 853	16 804	17 812
Total current assets		347 239	357 561	-	-	-	-	(383)	(383)	357 178	388 317	435 886
Non current assets												
Long-term receivables		3 882	3 882	-	-	-	-	-	-	3 882	3 493	3 144
Investments		-	-	-	-	-	-	-	-	-	-	-
Investment property		21 786	21 786	-	-	-	-	-	-	21 786	21 786	21 786
Investment in Associate		-	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	1	2 349 185	2 355 618	-	-	-	110	-	110	2 355 728	2 390 250	2 398 179
Biological		-	-	-	-	-	-	-	-	-	-	-
Intangible		7 165	7 165	-	-	-	-	-	-	7 165	6 588	5 976
Other non-current assets		-	-	-	-	-	-	-	-	-	-	-
Total non current assets		2 382 017	2 388 451	-	-	-	110	-	110	2 388 561	2 422 117	2 429 085
TOTAL ASSETS		2 729 256	2 746 011	-	-	-	110	(383)	(273)	2 745 739	2 810 434	2 864 971
LIABILITIES												
Current liabilities												
Bank overdraft		-	-	-	-	-	-	-	-	-	-	-
Borrowing		11 702	11 702	-	-	-	-	-	-	11 702	13 041	14 536
Consumer deposits		4 147	4 147	-	-	-	-	-	-	4 147	4 396	4 659
Trade and other payables		68 373	68 373	-	-	-	-	-	-	68 373	72 175	76 206
Provisions		36 642	36 642	-	-	-	-	-	-	36 642	38 474	40 398
Total current liabilities		120 863	120 863	-	-	-	-	-	-	120 863	128 085	135 798
Non current liabilities												
Borrowing	1	192 179	192 179	-	-	-	-	-	-	192 179	179 139	164 603
Provisions	1	236 411	236 411	-	-	-	-	-	-	236 411	240 747	245 297
Total non current liabilities		428 590	428 590	-	-	-	-	-	-	428 590	419 886	409 900
TOTAL LIABILITIES		549 453	549 453	-	-	-	-	-	-	549 453	547 971	545 698
NET ASSETS	2	2 179 803	2 196 558	-	-	-	110	(383)	(273)	2 196 285	2 262 463	2 319 272
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		2 179 803	2 196 558	-	-	-	110	(383)	(273)	2 196 285	2 262 463	2 319 272
Reserves		-	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY		2 179 803	2 196 558	-	-	-	110	(383)	(273)	2 196 285	2 262 463	2 319 272

Table B6 is consistent with international standards of good financial management practice and assist stakeholders in understanding the impact of the budget on the statement of financial position (balance sheet).

This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

B7 Consolidated Adjustments Budget Cash Flows

WC025 Breede Valley - Table B7 Adjustments Budget Cash Flows - 11 June 2020

Description	Ref	Budget Year 2019/20									Budget Year +1 2020/21	Budget Year +2 2021/22
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		132 998	134 608	–	–	–	–	–	–	134 608	140 978	149 437
Service charges		596 038	596 038	–	–	–	–	–	–	596 038	631 273	664 723
Other revenue		62 863	64 355	–	–	–	–	–	–	64 355	62 754	67 810
Government - operating	1	259 006	179 672	–	–	–	3 038	–	3 038	182 710	256 290	237 607
Government - capital	1	110 102	110 287	–	–	–	110	–	110	110 397	75 230	56 787
Interest		18 012	18 012	–	–	–	–	–	–	18 012	19 046	20 188
Dividends		–	–	–	–	–	–	–	–	–	–	–
Payments												
Suppliers and employees		(833 571)	(816 220)	–	–	–	(2 188)	17	(2 171)	(818 391)	(885 372)	(947 695)
Finance charges		(23 996)	(23 996)	–	–	–	–	–	–	(23 996)	(22 676)	(21 336)
Transfers and Grants	1	(125 484)	(52 739)	–	–	–	(850)	(400)	(1 250)	(53 989)	(118 395)	(89 483)
NET CASH FROM/(USED) OPERATING ACTIVITIES		195 970	210 018	–	–	–	110	(383)	(273)	209 745	159 129	138 039
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–
Decrease (Increase) in non-current debtors		–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables		50	50	–	–	–	–	–	–	50	50	50
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–	–
Payments												
Capital assets		(191 723)	(198 161)	–	–	–	(110)	–	(110)	(198 271)	(136 731)	(109 334)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(191 673)	(198 111)	–	–	–	(110)	–	(110)	(198 221)	(136 681)	(109 284)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans		–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		50	50	–	–	–	–	–	–	50	100	100
Payments												
Repayment of borrowing		(10 410)	(10 410)	–	–	–	–	–	–	(10 410)	(11 702)	(13 041)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(10 360)	(10 360)	–	–	–	–	–	–	(10 360)	(11 602)	(12 941)
NET INCREASE/ (DECREASE) IN CASH HELD		(6 062)	1 547	–	–	–	–	(383)	(383)	1 164	10 846	15 814
Cash/cash equivalents at the year begin:	2	120 450	109 867	–	–	–	–	–	–	109 867	111 031	121 878
Cash/cash equivalents at the year end:	2	114 388	111 414	–	–	–	–	(383)	(383)	111 031	121 878	137 692

The budgeted cash flow statement is the first measurement in determining if the budget is funded. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

B8 Consolidated Cash Backed Reserves/Accumulated Surplus Reconciliation

WC025 Breede Valley - Table B8 Cash backed reserves/accumulated surplus reconciliation - 11 June 2020

Description	Ref	Budget Year 2019/20									Budget Year +1 2020/21	Budget Year +2 2021/22
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
Cash and investments available												
Cash/cash equivalents at the year end	1	114 388	111 414	-	-	-	-	(383)	(383)	111 031	121 878	137 692
Other current investments > 90 days		-	-	-	-	-	-	-	-	-	3 356	3 356
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		114 388	111 414	-	-	-	-	(383)	(383)	111 031	125 234	141 048
Applications of cash and investments												
Unspent conditional transfers		5 000	5 000	-	-	-	-	-	-	5 000	5 000	5 000
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-
Statutory requirements		-	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	2	(128 470)	(122 562)	-	-	-	-	(0)	(0)	(122 562)	(151 034)	(174 570)
Other provisions		-	-	-	-	-	-	-	-	-	-	-
Long term investments committed		-	53 865	-	-	-	-	(53 865)	(53 865)	-	-	-
Reserves to be backed by cash/investments		53 865	-	-	-	-	-	-	-	53 865	70 557	64 311
Total Application of cash and investments:		(69 605)	(63 697)	-	-	-	-	(53 865)	(53 865)	(63 697)	(75 477)	(105 260)
Surplus(shortfall)		183 993	175 111	-	-	-	-	53 482	53 482	174 728	200 711	246 308

The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.

B9 Consolidated Asset Management

Please refer to Annexure A

Table B9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

B10 Consolidated Basic Service Delivery Measurement

WC025 Breede Valley - Table B10 Basic service delivery measurement - 11 June 2020

Description	Ref	Budget Year 2019/20									Budget Year +1 2020/21	Budget Year +2 2021/22
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
Household service targets	1											
Water:												
Piped water inside dwelling		19 372	19 372	-	-	-	-	-	-	19 372	19 372	19 372
Piped water inside yard (but not in dwelling)		3 879	3 879	-	-	-	-	-	-	3 879	3 879	3 879
Using public tap (at least min service level)	2	6 949	6 949	-	-	-	-	-	-	6 949	6 949	6 949
Other water supply (at least min service level)		-	-	-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total	3	30 200	30 200	-	-	-	-	-	-	30 200	30 200	30 200
Using public tap (< min service level)	3,4	-	-	-	-	-	-	-	-	-	-	-
Other water supply (< min service level)		-	-	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-	-	-
Total number of households	5	30 200	30 200	-	-	-	-	-	-	30 200	30 200	30 200
Sanitation/sewerage:												
Flush toilet (connected to sewerage)		18 555	18 555	-	-	-	-	-	-	18 555	18 555	18 555
Flush toilet (with septic tank)		2 687	2 687	-	-	-	-	-	-	2 687	2 687	2 687
Chemical toilet		4 263	4 263	-	-	-	-	-	-	4 263	4 263	4 263
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-	-	-
Other toilet provisions (> min service level)		-	-	-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total		25 504	25 504	-	-	-	-	-	-	25 504	25 504	25 504
Bucket toilet		-	-	-	-	-	-	-	-	-	-	-
Other toilet provisions (< min service level)		-	-	-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-	-	-
Total number of households	5	25 504	25 504	-	-	-	-	-	-	25 504	25 504	25 504
Energy:												
Electricity (at least min. service level)		2 977	2 977	-	-	-	-	-	-	2 977	2 977	2 977
Electricity - prepaid (> min service level)		21 150	21 150	-	-	-	-	-	-	21 150	21 150	21 150
Minimum Service Level and Above sub-total		24 127	24 127	-	-	-	-	-	-	24 127	24 127	24 127
Electricity (< min service level)		-	-	-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min service level)		-	-	-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-	-	-
Total number of households	5	24 127	24 127	-	-	-	-	-	-	24 127	24 127	24 127
Refuse:												
Removed at least once a week (min service)		48 995	48 995	-	-	-	-	-	-	48 995	48 995	48 995
Minimum Service Level and Above sub-total		48 995	48 995	-	-	-	-	-	-	48 995	48 995	48 995
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-	-	-
Total number of households	5	48 995	48 995	-	-	-	-	-	-	48 995	48 995	48 995
Households receiving Free Basic Service	15											
Water (6 kilolitres per household per month)		8 025	8 025	-	-	-	-	-	-	8 025	8 025	8 025
Sanitation (free minimum level service)		8 025	8 025	-	-	-	-	-	-	8 025	8 025	8 025
Electricity/other energy (50kwh per household per month)		8 025	8 025	-	-	-	-	-	-	8 025	8 025	8 025
Refuse (removed at least once a week)		8 025	8 025	-	-	-	-	-	-	8 025	8 025	8 025
Cost of Free Basic Services provided (R'000)	16											
Water (6 kilolitres per indigent household per month)		8 936	8 936	-	-	-	-	-	-	8 936	9 472	10 040
Sanitation (free sanitation service to indigent households)		16 120	16 120	-	-	-	-	-	-	16 120	17 088	18 113
Electricity/other energy (50kwh per indigent household per month)		4 522	4 522	-	-	-	-	-	-	4 522	4 793	5 081
Refuse (removed once a week for indigent households)		8 891	8 891	-	-	-	-	-	-	8 891	9 425	9 990
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		9 567	9 567	-	-	-	-	-	-	9 567	9 567	9 567
Total cost of FBS provided		48 036	48 036	-	-	-	-	-	-	48 036	50 344	52 790
Highest level of free service provided												
Property rates (R'000 value threshold)		150 000	150 000	-	-	-	-	-	-	150 000	150 000	150 000
Water (kilolitres per household per month)		10	10	-	-	-	-	-	-	10	10	10
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		260,87	260,87	-	-	-	-	-	-	261	260,87	260,87
Electricity (kw per household per month)		50	50	-	-	-	-	-	-	50	50	50
Refuse (average litres per week)		240	240	-	-	-	-	-	-	240	240	240
Revenue cost of free services provided (R'000)	17											
Property rates (brief adjustment) (impermissible values per section 17 of MPRA)		-	-	-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		31 981	31 981	-	-	-	-	-	-	31 981	33 900	35 934
Water (in excess of 6 kilolitres per indigent household per month)		1 340	1 340	-	-	-	-	-	-	1 340	1 421	1 506
Sanitation (in excess of free sanitation service to indigent households)		2 418	2 418	-	-	-	-	-	-	2 418	2 563	2 717
Electricity/other energy (in excess of 50 kwh per indigent household per month)		678	678	-	-	-	-	-	-	678	719	762
Refuse (in excess of one removal a week for indigent households)		1 334	1 334	-	-	-	-	-	-	1 334	1 414	1 499
Municipal Housing - rental rebates		6 577	6 577	-	-	-	-	-	-	6 577	6 577	6 577
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided	6	44 328	44 328	-	-	-	-	-	-	44 328	46 593	48 994

Table B10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services

SECTION A – Part 2

1. Adjustments to Budget Inputs and assumptions

The 2019/2020 Adjustments Budget was compiled in line with Chapter 4 Municipal Finance Management Act and Chapter 2 Part 4 of the Municipal Budget and Reporting Regulations.

The 2019/20 Adjustments Budget remain consistent with the Long-Term Financial Plan to ensure continued synergy between long term planning and implementation planning.

As per the concluding notes in the Annexure to MFMA Budget Circular No 99 for 2020-21 “The COVID-19 pandemic has introduced new dimensions of volatility, uncertainty, complexity and ambiguity to the task of financial stewardship across all spheres of government. Public policy decision-makers at all levels of government must act with vision, understanding, clarity and agility in responding to the crisis in a resilient manner. This will require a fundamental strategic rethink of the way in which we currently conduct our planning, budgeting and implementation processes.”

The operational budget is adjusted in order to accommodate the amendments to allocations mentioned in this report. Please refer to table B4, B5 and SB8 for related amendments

2. Adjustments to Budget Funding

Budget funding in terms of operating and capital expenditure is set out on table B4.

WC025 Breede Valley - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 11 June 2020

Description	Ref	Budget Year 2019/20									Budget Year +1 2020/21	Budget Year +2 2021/22
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1	A	A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
Revenue By Source												
Property rates	2	139 998	139 998	-	-	-	-	-	-	139 998	148 398	157 302
Service charges - electricity revenue	2	418 573	418 573	-	-	-	-	-	-	418 573	442 605	464 735
Service charges - water revenue	2	72 274	72 274	-	-	-	-	-	-	72 274	76 610	81 207
Service charges - sanitation revenue	2	72 847	72 847	-	-	-	-	-	-	72 847	77 969	82 647
Service charges - refuse revenue	2	40 088	40 088	-	-	-	-	-	-	40 088	42 332	44 872
Rental of facilities and equipment		10 589	10 589	-	-	-	-	-	-	10 589	9 036	9 578
Interest earned - external investments		11 854	11 854	-	-	-	-	-	-	11 854	12 518	13 269
Interest earned - outstanding debtors		6 158	6 158	-	-	-	-	-	-	6 158	6 528	6 920
Dividends received		-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		118 474	207 109	-	-	-	-	-	-	207 109	118 556	123 081
Licences and permits		3 616	3 616	-	-	-	-	-	-	3 616	3 818	4 047
Agency services		8 230	8 230	-	-	-	-	-	-	8 230	8 690	9 212
Transfers and subsidies		259 006	186 339	-	-	-	2 988	-	2 988	189 327	256 290	237 607
Other revenue	2	12 798	12 798	-	-	-	-	(0)	(0)	12 798	13 515	14 326
Gains on disposal of PPE		1 257	1 257	-	-	-	-	-	-	1 257	1 327	1 407
Total Revenue (excluding capital transfers and contributions)		1 175 760	1 191 728	-	-	-	2 988	(0)	2 988	1 194 716	1 218 193	1 250 210
Expenditure By Type												
Employee related costs		336 104	315 738	-	-	-	-	(400)	(400)	315 338	365 646	397 413
Remuneration of councillors		18 780	18 780	-	-	-	-	-	-	18 780	20 095	21 502
Debt impairment		98 058	173 398	-	-	-	-	-	-	173 398	99 280	100 663
Depreciation & asset impairment		91 139	91 139	-	-	-	-	-	-	91 139	96 242	102 017
Finance charges		23 654	23 654	-	-	-	-	-	-	23 654	22 833	24 203
Bulk purchases		296 838	302 538	-	-	-	-	(10)	(10)	302 528	314 048	332 891
Other materials		24 425	24 739	-	-	-	2 138	4 277	6 415	31 154	25 276	26 902
Contracted services		82 705	83 042	-	-	-	-	(3 884)	(3 884)	79 158	81 135	85 019
Transfers and subsidies		125 484	52 739	-	-	-	850	400	1 250	53 989	118 395	89 483
Other expenditure		71 229	65 244	-	-	-	-	137	137	65 381	75 489	80 063
Loss on disposal of PPE		3 489	3 489	-	-	-	-	-	-	3 489	3 684	3 905
Total Expenditure		1 171 905	1 154 499	-	-	-	2 988	520	3 508	1 158 007	1 222 122	1 264 060
Surplus/(Deficit)		3 855	37 230	-	-	-	-	(520)	(520)	36 710	(3 929)	(13 851)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		110 102	115 835	-	-	-	160	-	160	115 995	75 230	56 787
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	185	-	-	-	-	-	-	185	-	-
Surplus/(Deficit) before taxation		113 957	153 249	-	-	-	160	(520)	(360)	152 889	71 301	42 936
Taxation		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		113 957	153 249	-	-	-	160	(520)	(360)	152 889	71 301	42 936
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		113 957	153 249	-	-	-	160	(520)	(360)	152 889	71 301	42 936
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		113 957	153 249	-	-	-	160	(520)	(360)	152 889	71 301	42 936

3. Adjustments to Expenditure on Allocations and Grant

Detailed particulars of budgeted allocations and grants can be found on SB8.

WC025 Breede Valley - Supporting Table SB8 Adjustments Budget - expenditure on transfers and grant programme - 11 June 2020

Description	Ref	Budget Year 2019/20							Budget Year	Budget Year
		Original	Prior Adjusted	Multi-year	Nat. or Prov.	Other Adjusts.	Total Adjusts.	Adjusted	Adjusted	Adjusted
		Budget	2	capital	Govt			Budget	Budget	Budget
		A	A1	B	C	D	E	F		
R thousands										
EXPENDITURE ON TRANSFERS AND GRANT PROGRAM:	1									
Operating expenditure of Transfers and Grants										
National Government:		122 712	122 712	–	188	–	188	122 900	129 141	139 749
Local Government Equitable Share		117 997	117 997	–	–	–	–	117 997	127 591	138 199
Local Government Financial Management Grant		1 500	1 500	–	50	–	50	1 550	1 550	1 550
Expanded Public Works Programme Integrated Grant		3 215	3 215	–	–	–	–	3 215	–	–
Municipal Disaster Relief Grant		–	–	–	138	–	138	138	–	–
Provincial Government:		134 032	61 214	–	850	–	850	62 064	127 149	97 858
Human Settlement development Grant		122 820	47 576	–	–	–	–	47 576	115 580	86 500
Fin. Assistance to Mun for Maintenance and contruction of transport infrastructure		146	146	–	–	–	–	146	167	167
Library Services: Conditional Grant		9 738	9 738	–	–	–	–	9 738	10 027	10 578
Financial Management Support Grant (FMSG)		280	2 080	–	–	–	–	2 080	–	–
Regional Socio-Economic Project		–	–	–	–	–	–	–	900	–
Thusong service centres Grant		220	220	–	–	–	–	220	–	110
Financial Management Capacity Building Grant		380	740	–	–	–	–	740	–	–
Municipal Accreditation and Capacity Building Grant		448	448	–	–	–	–	448	475	503
Local Government Internship Grant		–	80	–	–	–	–	80	–	–
Community Development Workers (CDW) Operational Support Grant		–	186	–	–	–	–	186	–	–
Local Government Support Grant		–	–	–	850	–	850	850	–	–
District Municipality:		–	100	–	2 000	–	2 000	2 100	–	–
CWDM Projects		–	100	–	2 000	–	2 000	2 100	–	–
Other grant providers:		2 262	2 262	–	–	–	–	2 262	–	–
Work for water		2 262	2 262	–	–	–	–	2 262	–	–
Total operating expenditure of Transfers and Grants:		259 006	186 289	–	3 038	–	3 038	189 327	256 290	237 607
Capital expenditure of Transfers and Grants										
National Government:		44 502	44 502	–	110	–	110	44 612	51 230	56 787
Municipal Infrastructure grant		34 452	34 452	–	–	–	–	34 452	36 230	38 787
Integrated National Electrification Program		10 000	10 000	–	–	–	–	10 000	15 000	18 000
Finance Management Grant (FMG)		50	50	–	(50)	–	(50)	–	–	–
Municipal Disaster Relief Grant		–	–	–	160	–	160	160	–	–
Provincial Government:		65 100	70 883	–	–	–	–	70 883	24 000	–
Human Settlement development Grant		60 000	64 715	–	–	–	–	64 715	24 000	–
Regional Socio-Economic Project		5 100	6 167	–	–	–	–	6 167	–	–
District Municipality:		500	500	–	–	–	–	500	–	–
CWDM Monetary Allocation		500	500	–	–	–	–	500	–	–
Other grant providers:		–	185	–	–	–	–	185	–	–
Donated Assets: SPCA		–	185	–	–	–	–	185	–	–
Total capital expenditure of Transfers and Grants		110 102	116 070	–	110	–	110	116 180	75 230	56 787
Total capital expenditure of Transfers and Grants		369 108	302 358	–	3 148	–	3 148	305 506	331 520	294 394

4. Adjustment to Allocations or Grants made by the Municipality

None.

5. Adjustment to Councillor Allowances and Employees

The changes to councillor allowances and employee related cost is provided on table B4.

WC025 Breede Valley - Supporting Table SB8 Adjustments Budget - expenditure on transfers and grant programme - 11 June 2020

Description	Ref	Budget Year 2019/20							Budget Year +1 2020/21	Budget Year +2 2021/22
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	2 A1	3 B	4 C	5 D	6 E	7 F		
R thousands										
EXPENDITURE ON TRANSFERS AND GRANT PROGRAM:	1									
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		122 712	122 712	–	188	–	188	122 900	129 141	139 749
Local Government Equitable Share		117 997	117 997	–	–	–	–	117 997	127 591	138 199
Local Government Financial Management Grant		1 500	1 500	–	50	–	50	1 550	1 550	1 550
Expanded Public Works Programme Integrated Grant		3 215	3 215	–	–	–	–	3 215	–	–
Municipal Disaster Relief Grant		–	–	–	138	–	138	138	–	–
Provincial Government:		134 032	61 214	–	850	–	850	62 064	127 149	97 858
Human Settlement development Grant		122 820	47 576	–	–	–	–	47 576	115 580	86 500
Fin. Assistance to Mun for Maintenance and contruction of transport infrastructure		146	146	–	–	–	–	146	167	167
Library Services: Conditional Grant		9 738	9 738	–	–	–	–	9 738	10 027	10 578
Financial Management Support Grant (FMSG)		280	2 080	–	–	–	–	2 080	–	–
Regional Socio-Economic Project		–	–	–	–	–	–	–	900	–
Thusong service centres Grant		220	220	–	–	–	–	220	–	110
Financial Management Capacity Building Grant		380	740	–	–	–	–	740	–	–
Municipal Accreditation and Capacity Building Grant		448	448	–	–	–	–	448	475	503
Local Government Internship Grant		–	80	–	–	–	–	80	–	–
Community Development Workers (CDW) Operational Support Grant		–	186	–	–	–	–	186	–	–
Local Government Support Grant		–	–	–	850	–	850	850	–	–
District Municipality:		–	100	–	2 000	–	2 000	2 100	–	–
CWDM Projects		–	100	–	2 000	–	2 000	2 100	–	–
Other grant providers:		2 262	2 262	–	–	–	–	2 262	–	–
Work for water		2 262	2 262	–	–	–	–	2 262	–	–
Total operating expenditure of Transfers and Grants:		259 006	186 289	–	3 038	–	3 038	189 327	256 290	237 607
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		44 502	44 502	–	110	–	110	44 612	51 230	56 787
Municipal Infrastructure grant		34 452	34 452	–	–	–	–	34 452	36 230	38 787
Integrated National Electrification Program		10 000	10 000	–	–	–	–	10 000	15 000	18 000
Finance Management Grant (FMG)		50	50	–	(50)	–	(50)	–	–	–
Municipal Disaster Relief Grant		–	–	–	160	–	160	160	–	–
Provincial Government:		65 100	70 883	–	–	–	–	70 883	24 000	–
Human Settlement development Grant		60 000	64 715	–	–	–	–	64 715	24 000	–
Regional Socio-Economic Project		5 100	6 167	–	–	–	–	6 167	–	–
District Municipality:		500	500	–	–	–	–	500	–	–
CWDM Monetary Allocation		500	500	–	–	–	–	500	–	–
Other grant providers:		–	185	–	–	–	–	185	–	–
Donated Assets: SPCA		–	185	–	–	–	–	185	–	–
Total capital expenditure of Transfers and Grants		110 102	116 070	–	110	–	110	116 180	75 230	56 787
Total capital expenditure of Transfers and Grants		369 108	302 358	–	3 148	–	3 148	305 506	331 520	294 394

6. Adjustment to Service Delivery and Budget

The monthly targets for revenue, expenditure and cash flows are provided in B10 - Section B Supporting Tables.

WC025 Breede Valley - Table B10 Basic service delivery measurement - 11 June 2020

Description	Ref	Budget Year 2019/20									Budget Year +1 2020/21	Budget Year +2 2021/22
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
Household service targets	1											
Water:												
Piped water inside dwelling		19 372	19 372	-	-	-	-	-	-	19 372	19 372	19 372
Piped water inside yard (but not in dwelling)		3 879	3 879	-	-	-	-	-	-	3 879	3 879	3 879
Using public tap (at least min.service level)	2	6 949	6 949	-	-	-	-	-	-	6 949	6 949	6 949
Other water supply (at least min.service level)		-	-	-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total	3	30 200	30 200	-	-	-	-	-	-	30 200	30 200	30 200
Using public tap (< min.service level)	3,4	-	-	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)		-	-	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-	-	-
Total number of households	5	30 200	30 200	-	-	-	-	-	-	30 200	30 200	30 200
Sanitation/sewerage:												
Flush toilet (connected to sewerage)		18 555	18 555	-	-	-	-	-	-	18 555	18 555	18 555
Flush toilet (with septic tank)		2 687	2 687	-	-	-	-	-	-	2 687	2 687	2 687
Chemical toilet		4 263	4 263	-	-	-	-	-	-	4 263	4 263	4 263
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total		25 504	25 504	-	-	-	-	-	-	25 504	25 504	25 504
Bucket toilet		-	-	-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-	-	-
Total number of households	5	25 504	25 504	-	-	-	-	-	-	25 504	25 504	25 504
Energy:												
Electricity (at least min. service level)		2 977	2 977	-	-	-	-	-	-	2 977	2 977	2 977
Electricity - prepaid (> min.service level)		21 150	21 150	-	-	-	-	-	-	21 150	21 150	21 150
Minimum Service Level and Above sub-total		24 127	24 127	-	-	-	-	-	-	24 127	24 127	24 127
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-	-	-
Total number of households	5	24 127	24 127	-	-	-	-	-	-	24 127	24 127	24 127
Refuse:												
Removed at least once a week (min.service)		48 995	48 995	-	-	-	-	-	-	48 995	48 995	48 995
Minimum Service Level and Above sub-total		48 995	48 995	-	-	-	-	-	-	48 995	48 995	48 995
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-	-	-
Total number of households	5	48 995	48 995	-	-	-	-	-	-	48 995	48 995	48 995
Households receiving Free Basic Service	15											
Water (6 kilolitres per household per month)		8 025	8 025	-	-	-	-	-	-	8 025	8 025	8 025
Sanitation (free minimum level service)		8 025	8 025	-	-	-	-	-	-	8 025	8 025	8 025
Electricity/other energy (50kwh per household per month)		8 025	8 025	-	-	-	-	-	-	8 025	8 025	8 025
Refuse (removed at least once a week)		8 025	8 025	-	-	-	-	-	-	8 025	8 025	8 025
Cost of Free Basic Services provided (R'000)	16											
Water (6 kilolitres per indigent household per month)		8 936	8 936	-	-	-	-	-	-	8 936	9 472	10 040
Sanitation (free sanitation service to indigent households)		16 120	16 120	-	-	-	-	-	-	16 120	17 088	18 113
Electricity/other energy (50kwh per indigent household per month)		4 522	4 522	-	-	-	-	-	-	4 522	4 793	5 081
Refuse (removed once a week for indigent households)		8 891	8 891	-	-	-	-	-	-	8 891	9 425	9 990
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		9 567	9 567	-	-	-	-	-	-	9 567	9 567	9 567
Total cost of FBS provided		48 036	48 036	-	-	-	-	-	-	48 036	50 344	52 790
Highest level of free service provided												
Property rates (R'000 value threshold)		150 000	150 000	-	-	-	-	-	-	150 000	150 000	150 000
Water (kilolitres per household per month)		10	10	-	-	-	-	-	-	10	10	10
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		260,87	260,87	-	-	-	-	-	-	261	260,87	260,87
Electricity (kw per household per month)		50	50	-	-	-	-	-	-	50	50	50
Refuse (average litres per week)		240	240	-	-	-	-	-	-	240	240	240
Revenue cost of free services provided (R'000)	17											
Property rates (brief adjustment) (impermissible values per section 17 of MPRA)		-	-	-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		31 981	31 981	-	-	-	-	-	-	31 981	33 900	35 934
Water (in excess of 6 kilolitres per indigent household per month)		1 340	1 340	-	-	-	-	-	-	1 340	1 421	1 506
Sanitation (in excess of free sanitation service to indigent households)		2 418	2 418	-	-	-	-	-	-	2 418	2 563	2 717
Electricity/other energy (in excess of 50 kwh per indigent household per month)		678	678	-	-	-	-	-	-	678	719	762
Refuse (in excess of one removal a week for indigent households)		1 334	1 334	-	-	-	-	-	-	1 334	1 414	1 499
Municipal Housing - rental rebates		6 577	6 577	-	-	-	-	-	-	6 577	6 577	6 577
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided	6	44 328	44 328	-	-	-	-	-	-	44 328	46 593	48 994

7. Adjustment to Capital Spending Detail

Information/detail regarding capital projects by vote is provided in Section B – Capital Budget, read with B5, B5B, SB16, SB17, SB18a, SB18b, SB18e and SB19.

Please refer to Annexure A.

8. Other Supporting Documents

- National treasury electronic revised budget report, SB1-SB19 as **Annexure A**
- Signed quality certificate as **Annexure B**
- Provincial Gazette Extraordinary 8232, Friday, 24 April 2020 as **Annexure C**
- Municipal Disaster Relief Grant Allocations as **Annexure D**
- Local Government Circular C18 of 2020 – Municipal Disaster Relief Grant as **Annexure E**
- Government Gazette 30 March 2020 No. 43181 – Exemption Notice as **Annexure F**
- Annexure to MFMA Circular No 99 for 2020-21 MTREF as **Annexure G**

Comment of Directorates / Departments concerned:

Municipal Manager: Recommendation Supported

Director: Strategic Support Services: Recommendation Supported

Director: Financial Services: Recommendation Supported

Director: Technical Services: Recommendation Supported

Director: Community Services: Recommendation Supported

RECOMMENDATION:

That in respect of

ADJUSTMENTS BUDGET FOR 2019/20 – JUNE 2020

discussed by Council at the Council Meeting held on 11 June 2020:

- 1. Council resolves that the Adjustment Budget of Breede Valley Municipality for the financial year 2019/20 be adjusted and approved with amendments as set out in the following:**
 - a. Municipal Budget tables B1- B10**
 - b. Municipal Budget supporting documentation SB1 - SB19**

To Action

R. Ontong

**6.2 SUBMISSION OF THE IN-YEAR FINANCIAL MANAGEMENT REPORT FOR THE PERIOD ENDED 31 MARCH 2020.
MFMA SECTION 71 & 52 (d) Report**

File No. /s: 3/15/1

Responsible Officials: R. Ontong

Directorate: Financial Services

Portfolio: Financial Services

1. Purpose

To submit to Council the In-year financial management report for adoption.

2. Background:

In terms of the Municipal Finance Management Act, 56 of 2003, section 71.

(1) The accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

- (a) Actual revenue, per revenue source;
- (b) actual borrowings;
- (c) actual expenditure, per vote;
- (d) actual capital expenditure, per vote;
- (e) the amount of any allocations received;
- (f) actual expenditure on those allocations, excluding expenditure on
 - (i) its share of the local government equitable share; and
 - (ii) allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and
- (g) when necessary, an explanation of-
 - (i) any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;
 - (ii) any material variances from the service delivery and budget implementation plan; and
 - (iii) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget.

(2) The statement must include-

- (a) a projection of the relevant municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projections; and
-

- (b) the prescribed information relating to the state of the budget of each municipal entity as provided to the municipality in terms of section 87(10).
- (3) The amounts reflected in the statement must in each case be compared with the corresponding amounts budgeted for in the municipality's approved budget.
- (4) The statement to the provincial treasury must be in the format of a signed document and in electronic format.
- (5) The accounting officer of a municipality which has received an allocation referred to in subsection (1)(e) during any particular month must, by no later than 10 working days after the end of that month, submit that part of the statement reflecting the particulars referred to in subsection (1)(e) and (f) to the national or provincial organ of state or municipality which transferred the allocation.
- (6) The provincial treasury must by no later than 22 working days after the end of each month submit to the National Treasury a consolidated statement in the prescribed format on the state of the municipalities' budgets, per municipality and per municipal entity.
- (7) The provincial treasury must, within 30 days after the end of each quarter, make public as may be prescribed, a consolidated statement in the prescribed format on the state of municipalities' budgets per municipality and per municipal entity. The MEC for finance must submit such consolidated statement to the provincial legislature no later than 45 days after the end of each quarter.

In terms of the Municipal Finance Management Act, 56 of 2003, section 52(d).

The mayor of a municipality—

- (d) must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality.

3. Financial Implications:

None

4. Applicable Legislation/ Council Policy:

Municipal Finance Management Act, 56 of 2003 (Section 52(d) & 71);
Municipal Budget and Reporting Regulations, 2009

Comment of Directorates/ Departments concerned:

Municipal Manager: Recommendation supported

Director: Strategic Support Services: Recommendation supported

Director: Financial Services: Recommendation supported

Director: Technical Services: Recommendation supported

Director: Community Services: Recommendation supported

RECOMMENDATION:

That in respect of

SUBMISSION OF THE IN-YEAR FINANCIAL MANAGEMENT REPORT 2019/2020

discussed by Council at the Council meeting held on the 11 June 2020:

1. That council takes note of the in-year financial management report for the 2019/2020 financial year.

To Action:

R. Ontong

**6.3 QUARTERLY PERFORMANCE REPORTS PERTAINING TO THE THIRD
QUARTER (1 JANUARY 2020 – 31 MARCH 2020)****File No./s:** 3/15/1**Responsible Official:** C. Malgas**Directorate:** Strategic Support Services**Portfolio:** IDP/PMS

1. Purpose:

To inform Council on the implementation of the budget and the financial state of affairs of the Municipality and assess performance against the performance indicators set in the approved 2019/20 Top-Layer SDBIP.

2. Background:

According to Section 52(d) of the MFMA, the Mayor must, submit a report to the Council on the implementation of the budget and the financial state of affairs of the Municipality. Effective in-year reporting provides municipal management with an opportunity to analyse performance and address shortcomings and improve internal controls and service delivery.

All quarterly reports tabled in the Council in terms of section 52(d) must be placed on the website not later than five days after its tabling in the Council or on the date on which it must be made public, whichever occurs first.

Council should note that these reports could not serve during April 2020, as no Council meeting was scheduled in April 2020 due to the national lockdown regulations. In

addition, Council should note that this is in accordance with the MFMA Exemption Notice issued by the Minister of Finance on 30 March 2020.

Comment:

A copy of the Quarter 3 SDBIP Performance Report and Top-Layer KPI Report is attached as Annexures "A" and "B" respectively.

3. Financial Implications:

None

4. Applicable Legislation/Council Policy:

Municipal Finance Management Act, no. 56 of 2003

Comments of Directorates Concerned:

Municipal Manager: Recommendation Supported

Acting Director Strategic Support Services: Recommendation Supported

Director Financial Services: Recommendation Supported

Acting Director Technical Services: Recommendation Supported

Director Community Services: Recommendation Supported

Senior Manager Legal Services: Recommendation Supported

RECOMMENDATION:

That in respect of -

**THE QUARTERLY PERFORMANCE REPORT FOR THE THIRD QUARTER (1 JANUARY
2020 – 31 MARCH 2020)**

discussed by Council at the Council Meeting held on 11 June 2020:

1. That Council takes note of the Quarter 3 SDBIP Performance Report and the Top-Layer KPI Report for the period 1 January 2020 – 31 March 2020.

To Action

C. Malgas

**6.4 QUARTERLY SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT
FOR THE THIRD QUARTER OF THE 2019/20 FINANCIAL YEAR****File No./s:** 2/1/1/1**Responsible Official:** R. Ontong**Directorate:** Financial Services**Portfolio:** Supply Chain Management

1. Purpose

The Local Government: Municipal Finance Management Act, no 56 of 2003 (MFMA), requires the municipality to have and implement a Supply Chain Management (SCM) Policy which gives effect to the provisions of Part 1 of Chapter 11 of the Act that deals with 'Supply Chain Management'.

2. Background

Although the MFMA prohibits a Councilor from being a member of a bid committee or any other committee evaluating or approving quotations or tenders, Council has an oversight role to ensure that the Accounting Officer implements all supply chain management activities in accordance with this policy. For the purposes of such oversight, Council's Supply Chain Management Policy, **paragraph 6.3** requires that the Accounting Officer must "**within 10 working days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor of the municipality.**" In addition, **paragraph 6.4** requires that the report referred to in paragraph 6.3 above **also to be tabled to council on a quarterly basis**. The report may be included as part of any other report to serve before council.

The SCM quarterly implementation report approved in terms of paragraph 6.3 for the third quarter of the 2019/20 financial year, is attached as **Annexure A**.

3. Financial Implications

None

4. Applicable Legislation / Council Policy

Municipal Finance Management Act. 2003, (Act 56 of 2003)
Breede Valley Supply Chain Management Policy, as amended.
Supply Chain Management Regulations

5. Annexure

Annexures A: SCM quarterly implementation report (3rd quarter ending 31 March 2020) approved in terms of paragraph 6.3.

RECOMMENDATION

That in respect of

**QUARTERLY SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT FOR
THE THIRD QUARTER OF THE 2019/20 FINANCIAL YEAR**

discussed by Council at the Council Meeting held on 11 June 2020:

1. That the approved SCM quarterly implementation report for the third quarter of the 2019/20 financial year, **be noted**.

To Action

M. Potgieter

**6.5 PRESUMED STRATEGIC RISK MANAGEMENT REPORT FOR THE 2020-2021
FINANCIAL YEAR****File No. /s:** 3/15/1**Responsible Official:** E Cloete**Directorate:** Municipal Manager**Portfolio:** ERM

1. Purpose

To report to Council on the outcome of the annual risk identification and assessment process which took place during 2019-2020 financial year for the Presumed Strategic Risk Register; the result of which is the BVM Presumed Strategic Risk Management Report for the period 2020-2021 Financial Year.

2. Background

The implementation of the Risk Management system is prescribed by legislation which the municipality must comply with.

Enterprise risk management (ERM) in business includes the methods and processes used by organizations to manage risks and seize opportunities related to the achievement of their objectives. The ERM in Breede Valley Municipality provides the framework for Risk Management, which typically involves identifying particular events or circumstances relevant to the municipality's objectives (risks and contributing factors), assessing them in terms of likelihood and impact, determining a response strategy (action plans), and monitoring progress.

The management response strategy for the specific risks identified and analyzed, fall within the following four categories as well as the appetite of 9 as approved by Council:

Avoid – Action is taken to exit the activities giving rise to risk. Risk avoidance may involve exiting a product line, declining expansion to a new geographical market, or selling a division.

Reduce – Action is taken to reduce the risk likelihood or impact, or both. This may involve any of a myriad of everyday business decisions.

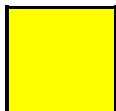
Share – Action is taken to reduce risk likelihood or impact by transferring or otherwise sharing a portion of the risk. Common risk sharing techniques include purchasing insurance products, pooling risks, engaging in hedging transactions, or outsourcing an activity.

Accept – No action is taken to affect likelihood or impact.

The Risk assessment process was conducted in engaged on with the various directorates. The Risk, Fraud and Corruption Management Committee (RiskCom) supports the strategic risk management report for the period 2020-2021.

The following tables provide the risk ratings:

LIKELIHOOD	5	LOW	MEDIUM	HIGH	EXTREME	EXTREME
	4	LOW	MEDIUM	HIGH	HIGH	EXTREME
	3	LOW	MEDIUM	MEDIUM	HIGH	HIGH
	2	LOW	LOW	MEDIUM	MEDIUM	MEDIUM
	1	LOW	LOW	LOW	LOW	LOW
Risk Matrix		1	2	3	4	5
		IMPACT/ CONSEQUENCE				



Risk Appetite Level

3 X 3 = 9 Level

Potential Impact / Consequence

Rating	Continuity of Service	Safety & Environmental	Technical Complexity	Financial	Achievement of objectives
Catastrophic (5)	Risk event will result in widespread and lengthy reduction in continuity of service delivery to customers for a period greater than 48 hours	Major environmental damage. Serious injury (permanent disability) or death of personnel or members of the Public. Major negative media coverage.	Use of unproven technology for critical systems / project components. High level of Technical Interdependencies between system components.	Disaster with potential to lead to collapse of business and is fundamental to the achievement of objectives.	Negative outcomes or missed opportunities that are of critical importance to the achievement of objectives
Major (4)	Reduction in service delivery or disruption for a period ranging between 24 & 48 hours over a significant area	Significant injury of personnel or public. Significant environmental damage. Significant negative media coverage.	Use of new technology not previously utilised by the organisation for critical systems / project components.	Critical event which can be endured but which may have a prolonged negative impact and extensive consequences.	Negative outcomes or missed opportunities that are likely to have a relatively substantial impact on the ability to meet objectives
Moderate (3)	Reduction in service delivery or disruption for a period between 8 & 24 hours over a significant area	Lower level of environmental, safety or health impacts. Negative media coverage	Use of unproven or emerging technology for critical systems / project components.	Major events, which can be managed but requires additional resources and management effort.	Negative outcomes or missed opportunities that are likely to have a relatively moderate impact on the ability to meet objectives

Minor (2)	Brief local inconvenience (work around possible). Loss of an asset with minor impact on operations	Little environmental, safety or health impacts. Limited negative media coverage.	Use of unproven or emerging technology for systems / project components.	Event, which can be managed under normal operating conditions.	Negative outcomes or missed opportunities that are likely to have a relatively low impact on the ability to meet objectives
Insignificant (1)	No or minimal impact on business or core systems	No environmental, safety or health impacts and/or negative media coverage	Use of unproven or emerging technology for non-critical systems / project components	Consequences can be readily absorbed under normal operating conditions.	Negative outcomes or missed opportunities that are likely to have a relatively negligible impact on the ability to meet objectives

Likelihood/Probability of occurrence

Rating	Level	Description
5	Almost certain	The risk is already occurring, or is likely to occur more than once within the next 12 months
4	Likely	The risk will easily occur, and is likely to occur at least once during the next 12 months.
3	Moderate	There is an above average chance of the risk occurring more than once during the next 3 years

2	Unlikely	The risk has a low likelihood of occurring during the next 3 years
1	Rare/Remote	The risk is unlikely to occur during the next 3 years

Control Assessment

Control Adequacy		Control Adequacy	
Rating	Title	Rating	Title
1	Adequate	1	Effective
2	Adequate but over controlled	2	Partially Effective
3	Partially Adequate	3	Ineffective
4	Inadequate		

Annexure: A copy of the BVM Presumed Strategic Risk Management Report for the 2020-2021 Financial Year.

Deliberation:Definition of Risk Management:

Risk management is a systematic process to identify, evaluate and address risks on a continuous basis before such risks can impact negatively on the municipality's service delivery capacity.

Risk management is a management discipline with its own techniques and principles. It is a recognised management science and has been formalized by international and national codes of practice, standards, regulations and legislation.

Risk management forms part of management's core responsibilities and is an integral part of the internal processes of the municipality.

When properly executed risk management provides reasonable, but not absolute assurance, that the municipality will be successful in achieving its goals and objectives.

Definition of Risk Identification:

Risk identification is a deliberate and systematic effort to identify and document the municipality's key risks.

The objective of risk identification is to understand what is at risk within the context of the municipality's explicit and implicit objectives and to generate a comprehensive inventory of risks based on the threats and events that might prevent, degrade, delay or enhance the achievement of the objectives.

Definition of Risk Assessment:

Risk assessment is a systematic process to quantify or qualify the level of risk associated with a specific threat or event, to enrich the risk intelligence available to the Institution.

The main purpose of risk assessment is to help the municipality to prioritise the most important risks as the municipality is not expected to have the capacity to deal with all risks in an equal manner.

Risks should be formally reviewed concurrently with changes in strategy, or at least once a year to consider new and emerging risks.

Definition of Risk Register:

Risk register is the outcome of the annual risk assessment process which is a comprehensive inventory of risks based on the threats and events that might prevent, degrade, delay or enhance the achievement of the objectives of the municipality.

- i. The Executive Authority/ Council:
-

- The Council should take an interest in risk management to the extent necessary to obtain comfort that properly established and functioning systems of risk management are in place to protect the Institution against significant risks.
- Responsibilities of the Executive Authority in risk management should include:
 - ensuring that the Institutional strategies are aligned to the government mandate;
 - obtaining assurance from management that the Institution's strategic choices were based on a rigorous assessment of risk;
 - obtaining assurance that key risks inherent in the Institution's strategies were identified and assessed, and are being properly managed;
 - assisting the Accounting Officer / Authority to deal with fiscal, intergovernmental, political and other risks beyond their direct control and influence; and
 - insisting on the achievement of objectives, effective performance management and value for money.
 - In case of a municipality or municipal entity, in addition to the responsibilities outlined in 21(2), the Executive Authority should also: (a) approve the risk management policy, strategy, and implementation plan; and
(b) approve the fraud prevention policy, strategy and implementation plan.

Council is responsible for providing oversight and direction to the Accounting Officer on the risk management related strategy and policies; which also include an interest in the effectiveness of the process of risk management within the municipality.

Risk Management Oversight (Risk Management Committee)

The committee's role is to review the risk management progress and maturity of the municipality, the effectiveness of risk management activities, the key risks facing the municipality and the responses to address these key risks.

ii. The Accounting Officer/ Municipal Manager:

Sections 62(1)(c)(i) and 95(c)(i) of the MFMA, requires the Accounting Officer to ensure that their municipalities and municipal entities have and maintain effective, efficient and transparent systems of risk management

The **Municipal Manager** is ultimately responsible for risk management within the municipality. This includes ensuring that the responsibility for risk management vests at all levels of management. The Municipal Manager sets the tone at the top by promoting accountability, integrity and other factors that will create a positive control environment.

iii. Management, Other Personnel, Risk Manager:

Section 78 of the Municipal Finance Management Act (Act 56 of 2003):

The extension of general responsibilities in terms of Section 78 of the MFMA to all senior managers and other officials of municipalities imply that responsibility for risk management vests at all levels of management and that it is not limited to only the accounting officer and internal audit.

Risk Management Implementers (Management)

All other levels of management, support the municipality's risk management philosophy, promote compliance with the risk appetite and manage risks within their areas of responsibility.

Management takes ownership for managing the municipality's risks within their areas of responsibility and is accountable to the Municipal Manager for designing, implementing, monitoring and integrating ERM into their day-to-day activities of the municipality. This should be done in a manner that ensures that risk management becomes a valuable strategic management tool.

Risk Management Implementers (Other Officials)

Other officials are responsible for integrating risk management into their day-to-day activities i.e. by ensuring conformance with controls and compliance to procedures.

Risk Management Support (Chief Risk Officer)

The Chief Risk Officer is the custodian of the Risk Management Strategy and Implementation Plan and the coordinator of Enterprise Risk Management activities throughout Brede Valley Municipality.

Risk Management Support (Risk Champions)

A Risk Champion would generally hold a senior position within the municipality and possess the skills, knowledge and leadership qualities required to champion a particular aspect of risk management.

The Risk Champion assists the Chief Risk Officer to facilitate the risk assessment process and manage risks within their area of responsibility to be within the risk appetite. Their primary responsibilities are advising on, formulating, overseeing and managing all aspects of a municipality's entire risk profile, ensuring that major risks are identified and reported upwards.

iv. Internal Auditors:

Section 165(2)(a), (b)(iv) of the Municipal Finance Management Act (Act 56 of 2003) requires that: *"(2) The internal audit unit of a municipality or municipal entity must -*
(a) prepare a risk based audit plan and an internal audit program for each financial year;
(b) advise the accounting officer and report to the audit committee on the implementation on the internal audit plan and matters relating to:

- *(iv) risk and risk management."*

IIA Standard 2110 - Risk Management of the International Standards for the Professional Practice of Internal Auditing states:

"The internal audit activity should assist the organisation by identifying and evaluating significant exposures to risk and contributing to the improvements of risk management and control systems.

Risk Management Assurance Providers (Internal Audit)

The core role of Internal Audit in risk management is to provide an independent, objective assurance to council and the Audit Committee on the effectiveness of risk management.

Internal Audit also assists in bringing about a systematic, disciplined approach to evaluate and improve the effectiveness of the entire system of risk management and provide recommendations for improvement where necessary.

Risk Management Assurance Providers (External Audit)

External Audit (Auditor-General) provides an independent opinion on the effectiveness of Enterprise Risk Management.

v. Audit Committee:

Section 166 (2)(a)(ii) of the Municipal Finance Management Act (Act 56 of 2003) states:

"(2) An audit committee is an independent advisory body which must - (a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, or the board of directors, the accounting officer and management staff of the municipal entity, on matters relating to - (ii) risk management."

The **Audit Committee** is an independent committee, responsible to oversee the municipality's control, governance and risk management. This committee is vital to, among other things, ensure that financial, IT and fraud risk related to financial reporting are identified and managed.

The Audit Committee's primary responsibility is providing an independent and objective view of the effectiveness of the municipality's risk management process to council and to provide recommendations to the Municipal Manager for continuous improvement and management of risks. The responsibilities of the Audit Committee with regard to risk management are formally defined in its charter.

3. Financial Implications:

None

4. Applicable Legislation / Council Policy:

- The Municipal Finance Management Act (Act 56 of 2003) (MFMA);
 - Municipal Structures Act (Act 117 of 1998);
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- Municipal Systems Act (Act 32 of 2000); and
- Public Sector Risk Management Framework (NT) published 1 April 2010.

Comment of Directorates / Departments concerned:

Municipal Manager: Supported

Director: Community Services: Supported

Director: Strategic Support Services: Supported

Director: Financial Services: Supported

Director: Technical Services: Supported

RECOMMENDATION:

That in respect of the

PRESUMED STRATEGIC RISK MANAGEMENT REPORT FOR THE 2020-2021 FINANCIAL YEAR

discussed by Council at the Council meeting held on 11 June 2020:

1. That Council takes note of the outcome of the Strategic Risk identification and assessment process, the result of which is captured in the BVM Strategic Risk Management Report for the period 2020-2021.
2. That Council approve the Strategic Risk Management Report for the period financial period 2020-2021.

To Action

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- 7. CONSIDERATION OF REPORTS, COMMUNICATIONS, PETITIONS AND APPLICATIONS
DEALING WITH MATTERS OF URGENCY SUBMITTED BY THE MUNICIPAL MANAGER**
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- 8. CONSIDERATION OF MATTERS SUBMITTED BY THE CHAIRPERSON OF
COUNCIL**
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- 9. CONSIDERATION OF NOTICES OF MOTION AND NOTICES OF QUESTIONS
WHICH SHALL APPEAR ON THE AGENDA IN THE ORDER IN WHICH THEY HAVE
BEEN RECEIVED BY THE MUNICIPAL MANAGER**
-

- 10. CONSIDERATION OF MOTIONS OF EXIGENCY**
-

- 11. CLOSURE**
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