



**BREEDDE VALLEY**

MUNICIPALITY - MUNISIPALITEIT - UMASIPALA

# Annual Report

**2020/21**







## MAYOR'S MESSAGE

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### MAYOR'S MESSAGE

For a second year in a row, we as a Municipality (and the world for that matter) still face the devastating impact of Covid-19 and we clearly see the effect of this in our daily life.

We see the economic challenges and hardship this pandemic has brought to not only this country, but to the residents of this prosperous community.

We acknowledge each and every person trying to create and maintain a secure and steady livelihood for themselves and their loved ones. We know this is not easy. We also acknowledge that times are tough, but we learned a valuable lesson in that we are really stronger together – even though we had to keep distance from each other for most of this last year.

We all strive to be responsible citizens – in many ways. Most of us try to be law abiding citizens and sustain a high standard of community values and morals. Some of us try to be responsible by paying our monthly municipal accounts – seeing to it that we can deliver and render services to the community. Others are also responsible by abiding to national disaster management restrictions that was formulated due to the Covid-19 pandemic. This is also not an easy task.

We should not only acknowledge the distressing hardship of this pandemic in terms of financial loss, but the loss of life that has a permanent and devastating effect within our families and our homes. Once a week, on a Wednesday, I light a candle – to celebrate and recognize the lives that were lost and to show compassion to those in mourning. I also light that candle in a symbolic manner, in that there is hope. There is a light at the end of this gruelling tunnel. We can only combat this crisis together.

With that I also want to recognize the frontline workers that has been combatting this virus head-on. They are risking their own lives to save other people. Working tirelessly around the clock to assist the residents of this community on many levels.

We also see the effect on various industries that suffered tremendous loss during this time – especially living in an area where wine is one of our top produces and had been negatively affected by the pandemic.

At a council perspective, we remained by strict adherence to Covid-19 protocols and balancing working from home (in this case directly within the community) and at the office. Our monthly council meetings, various weekly meetings and even workshops were done online via the Teams platform.

We face many challenges forward but remain proud of the work that was done in this last year, despite the trials and tribulations of this unprecedented time. The only way to move is to go forward – and we will strive to do this with savvy, good judgement and constant celebration, while engaging with the public. We do the work for each and every person living in the towns of Worcester, De Doorns, Touwsrivier, Rawsonville and every farm and homestead in between.

Here are some of the things we can be proud of and those we can fine tune to know exactly what the road ahead entails:

#### **Sport:**

This past year was unlike any other with sport being one of the most affected activities in the past year. The Breede Valley is known for great athletes, rising sport stars and many other talented individuals and groups hailing from here. The Municipality and our council is instrumental in

## MAYOR'S MESSAGE

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providing support to our young athletes. Having good facilities helps to keep our youth healthy, occupied and filled with constructive purpose. Although the challenge brought forward by this pandemic, we always strive to uplift these talented individuals and groups. We will always assist where possible and gladly contribute in an appropriate manner.

### **Arts, Culture, tourism and history:**

The past year was a difficult year for these sections nationwide, yet certain highlights were attained.

- A Mosaic art project was undertaken by the Worcester Business Improvement District where homeless people were trained and skilled to depict the nine honorary citizens of Worcester in mosaic
- A framed certificate of the posthumous honorary citizenship of Worcester of Dumile Feni was unveiled at the Hugo Naude Museum and Jean Welz Gallery
- Research was done for a series of articles on the life of the famous Worcester artist, Dumile Feni, that were published in the Worcester Standard
- As Mayoral Committee Member for Arts and Culture, Dr. Julian Kritzinger collaborated with the well-known SA auction house, Strauss & Co and provided his research on the life of the artist, Hugo Naude, for a lecture 'Becoming Hugo Naude' that Strauss & Co gave online on 2 November 2020. This online lecture can be found on YouTube
- Information on funding possibilities for artists were sent to all artists on the BVM database of the Department of Arts and Culture
- Research was conducted and funding was procured for the Worcester Garden of Remembrance Tourism Route that will be launched shortly by Worcester Tourism
- Gideon Joubert Park in Touwsrivier was upgraded and the necessary restoration work was done by Touwsrivier Tourism on the plinthed historical Class 23 steam locomotive, which is one of only two still in existence, as well as the historical Afrikaans Language Monument
- Information boards were put up for tourists on the history at the historical Beckhuis Complex at Baring Street 21, that explains the history of the historical buildings and pear tree that dates back to at least 1825
- Research was done and external funding was procured for the Buffelskraal Museum in the Hex River Valley that will depict the history of the farm and area for tourists
- Research was done and external funding was procured for the Dutch Reformed Moedergemeente Museum that will depict the history of the church. The Church was established in 1821 and celebrates its bicentenary in 2021
- Important restoration and maintenance work was done by the Worcester Business Improvement on the historical Garden of Remembrance on Church Square and the Garden was opened to the public after it was locked for many years to prevent vandalism. In addition, CCTV cameras were installed to safeguard the Garden
- 2021 also marked the centenary of the Institute for the Deaf and the School for the Blind
- 2021 was a sad year as we had to say goodbye to Sophy, the 38-year-old donkey at Kleinplasia Museum. Sophy was a well-known mascot for the Museum and local tourism and was a drawcard for generations of children who grew up with her



## MAYOR'S MESSAGE

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since the opening of the Museum. She was the matriarch of the donkey family at Kleinplasia and the rest of the family are all her offspring

### **Schools:**

The Breede Valley boasts with some astounding schools and learning institutions. We are proud of these institutions to what they achieved despite many challenges and a constant change in the learning schedule. We applaud teachers and teaching staff for their time, effort and the value they brought to the table. We as a Municipality value respectable, quality education. Breede Valley Municipality and this Council will always treasure our children, as they are the future of this country and specifically this region.

Our door and hands will always be open to them. In the past year we assisted not only with a major bursary program that kick-starts the future of many children in this area, but we could also assist in providing the basic stationery and books to those who really need it.

In the past we will always assist schools with their needs – whether it is to upgrade buildings and facilities or just to maintain all service systems. We will always gladly assist where possible.

### **NGO'S:**

I tip my hat to all of you. When the going got tough, you got tougher. We saw how communities came together to support one another. NGO's and those working for these different establishments and organisations really walked the extra mile to ensure children were kept safe, elderly people were cared for, the hungry were fed and those in a time of need were listened to. We care for each and every NGO in this municipal region. We try to assist, help and accommodate each and every one.

We assisted many with funds to provide food to those in need. We assisted in many ways with funds, but also with expertise to help facilitate the process of becoming a registered NGO. We also tried to assist those in the waiting period of registration so that we could enable them with necessities to make a difference in the community. We are proud of those who enable others and took this selfless act of caring for others upon themselves.

### **Housing and basic services:**

One of our main aims remain to provide basic housing and deliver related services in a respectable and operational standard. Council endeavours to keep our community's dignity intact by providing access to various housing projects. Two projects in Worcester and Touwsrivier have been met with criticism and had its fair share of disappointments, but we remain dedicated and devoted to adhering to this promise. Life happens. Pandemics happen. The housing projects will continue, and we look forward to the day where we hand over these houses.

### **Indigent support:**

As usual, the Municipality assist communities in general, especially the unemployed, the elderly and other vulnerable groups wherever and however it is possible. We continually encourage them to apply for indigent subsidy on municipal services. The Office of the Executive Mayor will, whenever possible, assist to lessen the burden of poverty. As a caring Municipality, we are aware of the effects of Covid-19 on the vulnerable citizens within our community.

### **Safety:**

While we acknowledge the devastating and everlasting difficulties around issues such as gender-based violence, theft, gang related activities and drinking and driving, we

## MAYOR'S MESSAGE

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should applaud local safety officers for their contribution in the aid of fighting this pandemic and enforcing regulations as set out by national government.

We also thank the teams of the Fire and Rescue Services of the Municipality for always being there to assist the community. We thank traffic officials and personnel for assisting the flood of people in need of service, especially seeing that some services could not be rendered at some periods at a time due to the pandemic. We thank those in the community who made it their task to ensure the safety of all. Different security companies, neighbourhood watch groups and some even monitoring the CBD on bikes – we thank each and every individual and group who committed their time to this community.

### **Service delivery:**

How blessed are we to live in a community where clean, running water is almost everywhere? A community where most parts have electricity, and we are surrounded by natural resources and unblemished scenery. We as a Council remain committed to the people of this community. We will always strive to do better and to be better – not as a reflection of who we are, but as a reflection of who we are as a community and how we want to see our community.

Possibly one of the worst things to happen in recent years – the global Covid-19 pandemic - hampered service delivery, locked down entire countries for months, robbed people of livelihoods or life itself. This pandemic will have dire effects for months (if not years) to come. The following challenges remain problematic year after year:

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

The Breede Valley Municipality in many respects lives up to its vision with accolades for performing in governance and service delivery. There are challenges but we will address them. With the support of an active community sharing the responsibility of governance, Council and staff will work shoulder to shoulder to maintain a high level of service delivery, putting the wonderful people of Breede Valley first. Thank you for everyone's contribution. Wear your mask, adhere to Covid-19 protocol, get vaccinated and be safe.

**Antoinette Steyn**

**EXECUTIVE MAYOR**

# CONTENT

<b>MAYOR'S MESSAGE .....</b>	<b>1</b>	3.2	THE IDP AND THE BUDGET .....	106	
<b>CHAPTER 1: EXECUTIVE SUMMARY.....</b>	<b>7</b>	3.3	INTRODUCTION TO SERVICE DELIVERY PERFORMANCE.....	107	
1.1	MUNICIPAL MANAGER'S MESSAGE .....	8	3.4	STRATEGIC SDBIP (TOP LAYER) .....	108
1.2	MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW .....	14	3.5	SERVICE PROVIDER STRATEGIC PERFORMANCE.....	128
1.3	SERVICE DELIVERY OVERVIEW.....	26	3.6	MUNICIPAL FUNCTIONS.....	142
1.4	FINANCIAL HEALTH OVERVIEW .....	28	3.7	OVERVIEW OF PERFORMANCE PER WARD .....	143
1.5	ORGANISATIONAL DEVELOPMENT OVERVIEW.....	31	<b>COMPONENT A: BASIC SERVICES .....</b>	<b>166</b>	
1.6	AUDITOR-GENERAL REPORT.....	33	3.8	WATER SERVICES .....	166
1.7	IDP, BUDGET AND PMS PROCESS.....	35	3.9	SANITATION SERVICES.....	171
1.8	COVID - 19.....	48	3.10	ELECTRICITY.....	176
<b>CHAPTER 2: GOVERNANCE.....</b>	<b>31</b>	3.11	WASTE MANAGEMENT (REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING) .....	181	
<b>COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE.....</b>	<b>57</b>	3.12	HOUSING .....	190	
2.1	POLITICAL GOVERNANCE STRUCTURE .....	57	3.13	FREE BASIC SERVICES AND INDIGENT SUPPORT .....	194
2.2	ADMINISTRATIVE GOVERNANCE STRUCTURE .....	62	<b>COMPONENT B: ROAD TRANSPORT.....</b>	<b>195</b>	
<b>COMPONENT B: INTERGOVERNMENTAL RELATIONS.....</b>	<b>63</b>	3.14	ROADS .....	195	
2.3	INTERGOVERNMENTAL RELATIONS (IGR).....	63	3.15	STORMWATER DRAINAGE.....	199
<b>COMPONENT C: PUBLIC ACCOUNTABILITY .....</b>	<b>67</b>	<b>COMPONENT C: PLANNING AND DEVELOPMENT .....</b>	<b>201</b>		
2.4	PUBLIC MEETINGS.....	67	3.16	PLANNING .....	201
<b>COMPONENT D: CORPORATE GOVERNANCE.....</b>	<b>77</b>	3.17	LOCAL ECONOMIC DEVELOPMENT (LED).....	206	
2.5	RISK MANAGEMENT .....	77	3.18	TOURISM .....	213
2.6	FRAUD PREVENTION .....	80	3.19	INTEGRATED DEVELOPMENT PLAN (IDP) .....	218
2.7	AUDIT COMMITTEE .....	82	3.20	LIBRARIES .....	223
2.8	PERFORMANCE AUDIT COMMITTEE.....	84	3.21	CEMETERIES .....	228
2.9	INTERNAL AUDIT .....	85	3.22	REGIONAL SOCIO-ECONOMIC PROGRAMME (RSEP).....	230
2.10	SUPPLY CHAIN MANAGEMENT (SCM) .....	87	3.23	PARKS .....	233
2.11	POLICIES AND BY-LAWS .....	98	<b>COMPONENT E: ENVIRONMENTAL PROTECTION .....</b>	<b>234</b>	
2.12	WEBSITE.....	99	3.24	POLLUTION CONTROL .....	234
2.13	COMMUNICATION .....	101	3.25	BIODIVERSITY, LANDSCAPE AND OPEN SPACES .....	237
<b>CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I).....</b>	<b>104</b>	<b>COMPONENT F: SECURITY AND SAFETY.....</b>	<b>237</b>		
3.1	PERFORMANCE MANAGEMENT .....	105	3.26	TRAFFIC AND LICENSING .....	237
			3.27	FIRE, RESCUE AND DISASTER MANAGEMENT SERVICES .....	240
			<b>COMPONENT G: SPORT AND RECREATION .....</b>	<b>244</b>	



# CONTENT

3.28	HOLIDAY RESORTS AND CAMPSITES .....	244	<b>COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS .....</b>	<b>319</b>		
3.29	SWIMMING POOLS AND SPORT GROUNDS .....	246	5.10	CASH FLOW .....	320	
<b>COMPONENT H: CORPORATE POLICY, OFFICES AND OTHER SERVICES .....</b>			<b>249</b>			
3.30	EXECUTIVE AND COUNCIL .....	249	5.11	GROSS OUTSTANDING DEBTORS PER SERVICE .....	321	
3.31	FINANCIAL SERVICES .....	251	5.12	TOTAL DEBTORS AGE ANALYSIS .....	322	
3.32	HUMAN RESOURCE SERVICES .....	254	5.13	BORROWING AND INVESTMENTS .....	323	
3.33	INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) .....	257	<b>COMPONENT D: OTHER FINANCIAL MATTERS .....</b>			<b>325</b>
3.34	INTERNAL AUDIT AND ENTERPRISE RISK MANAGEMENT .....	260	5.14	SCM .....	325	
3.35	LEGAL SERVICES .....	261	5.15	GRAP COMPLIANCE .....	325	
3.36	EMPLOYEES: OTHER SERVICES .....	262	5.16	MUNICIPAL COST CONTAINMENT MEASURES .....	326	
3.37	CAPITAL EXPENDITURE: OTHER SERVICES .....	265	<b>CHAPTER 6: AUDITOR-GENERAL AUDIT FINDINGS .....</b>			<b>328</b>
<b>COMPONENT I: ORGANISATIONAL PERFORMANCE SCORECARD .....</b>			<b>COMPONENT A: AUDITOR-GENERAL OPINION 2019/20 ....</b>			<b>329</b>
3.38	DEVELOPMENT AND SERVICE DELIVERY PRIORITIES FOR 2021/22 ...	266	6.1	AUDITOR-GENERAL REPORT 2019/20 .....	329	
<b>CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II) .....</b>			<b>COMPONENT B: AUDITOR-GENERAL OPINION 2020/21 ....</b>			<b>330</b>
4.1	INTRODUCTION TO THE MUNICIPAL WORKFORCE .....	276	<b>ABBREVIATIONS .....</b>			<b>331</b>
4.2	MANAGING THE MUNICIPAL WORKFORCE .....	279	<b>LIST OF TABLES .....</b>			<b>333</b>
4.3	CAPACITATING THE MUNICIPAL WORKFORCE .....	283	<b>LIST OF FIGURES .....</b>			<b>339</b>
4.4	MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE .....	286	<b>LIST OF GRAPHS .....</b>			<b>339</b>
<b>CHAPTER 5: FINANCIAL PERFORMANCE .....</b>			<b>ANNEXURE A: FINANCIAL STATEMENTS</b>			
<b>COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE .....</b>			<b>ANNEXURE B: REPORT OF THE AUDITOR-GENERAL</b>			
5.1	FINANCIAL SUMMARY .....	289	<b>ANNEXURE C: REPORT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE</b>			
5.2	FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION .....	294				
5.3	GRANTS .....	301				
5.4	ASSET MANAGEMENT .....	304				
5.5	FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS .....	306				
<b>COMPONENT B: SPENDING AGAINST CAPITAL BUDGET .....</b>						
5.6	CAPITAL EXPENDITURE .....	311				
5.7	SOURCES OF FINANCE .....	316				
5.8	CAPITAL SPENDING ON 5 LARGEST PROJECTS .....	318				
5.9	BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW .....	319				



## MUNICIPAL MANAGER'S MESSAGE

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### 1.1 MUNICIPAL MANAGER'S MESSAGE

The 2020/21 municipal financial period has been dominated by extreme volatility, uncertainty, complexity and ambiguity (VUCA); exacerbated by the COVID-19 pandemic. This reality, coupled with growing resource vulnerability (financial & non-financial), severely threatens local government's ability to effectively execute its core mandate as encapsulated in Part B of Schedule 4 and Part B of Schedule 5 of the Constitution of South Africa (1996) read together with Chapter 3 of the Municipal Systems Act 32 of 2000 (MSA). This Annual Report is therefore tabled during a critical crossroad within the local government landscape.

Notwithstanding these challenges, the Breede Valley Municipality strived to uphold a high level of governance proficiency and service delivery excellence whilst exercising its custodianship. Guided by our vision, "a unique and caring valley of service excellence, opportunity and growth", the Municipality set out to maintain its clean (unqualified) audit outcome status whilst simultaneously rendering services synonymous with core public value ideologies such as equity, impartiality, justice, honesty, fairness, probity, continuity, secrecy, accountability, transparency, and responsiveness. However, this could only be achieved by embracing civil society and the private sector as key strategic partners, ensuring that proper consultation, monitoring and oversight of processes were in place to underpin a whole of society approach toward sustainable and equitable basic service delivery.

In terms of this special relationship with the community, due care was taken to ensure that our service delivery actions (as reflected in this report)

served our strategic objectives as articulated in the municipal Integrated Development Plan (IDP), budget and Service Delivery and Budget Implementation Plan (SDBIP). In this regard the following highlights need mentioning:

- Prioritising and implementing astute financial management principles to stabilize and safeguard the financial sustainability of the organization, threatened during the COVID-19 pandemic. This included (amongst others) prohibiting discretionary and non-essential expenditure items unless duly motivated and authorised by the CFO and Accounting Officer, temporarily postponing recruitment processes linked to non-essential vacancies, applying credit control measures in a dignified manner by taking cognizance of COVID-19's adverse impact on households and livelihoods, and increasing rebates on rates and taxes to assist vulnerable residents.
- These simple yet important principles enabled the Municipality to realise the following:
  - 🌀 a 95% revenue collection rate as opposed to a 65-80% anticipated collection rate at inception of the financial period and, subsequently, the ability to reintroduce critical capital and operational projects/initiatives on the budget.
  - 🌀 a 92.14% expenditure rate on capital projects as at 30 June 2021, comprising of (amongst others):
    - R70.7 million on resealing municipal roads, translating to 88.1km (approximately 30%) of the surfaced road network resealed;
    - R9.6 million on the construction of the Zwelethemba municipal swimming pool,



## MUNICIPAL MANAGER'S MESSAGE

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- anticipated to be completed by 15 December 2021;
  - R3.1 million on servicing erven in Meirings Park and Avian Park respectively, to unlock infill development within the areas;
  - R2.6 million to procure a Jet Vac Truck, an additional resource earmarked to assist with proactive maintenance during sewerage blockages/spills;
  - R2.3 million on various RSEP facilities such as playparks throughout the municipal area, shared economic facility in Zwelethemba, sport & recreational fields/facilities and the construction of speed humps; and
  - R930 thousand on area and security lighting throughout the municipal area.
  - Availing the Municipal Town Hall as dedicated vaccination site during the COVID-19 vaccination drive. In addition, a municipal EPWP project was registered and beneficiaries appointed to assist with administrative and logistical processes during the vaccination drive. Through this assistance, 4 476 of 6 516 inoculations were administered at the Town Hall.
  - Supporting the municipal workforce by providing branded face masks, sanitizer and PPE, coupled with distinct COVID-19 leave categories to ensure minimum service delivery disruptions during lockdowns.
  - Completion of construction and alteration work at the newly established Municipal Court. The Municipal Court will underpin law and order within the locality through prosecution and adjudication of matters within the confines of (amongst others) the National Building Regulations and municipal by-laws, hence, encouraging a safer society.
  - Continuous collaboration between the Breede Valley Municipality and Worcester Business Improvement District regarding CCTV security monitoring and urban upgrade projects within the Worcester CBD, which continues to contribute to the reduction of crime & beautification within this particular area.
  - Continuous collaboration on the Transhex Human Settlement development, driven by the Provincial Department of Human Settlements. During the period under review, 662 serviced sites were completed as part of phase 1.3. The development is estimated to yield 8 480 housing opportunities that will (amongst others) substantially alleviate the housing backlog of 20 198 households, create ownership, and stimulate the local economy.
  - Facilitating specialized business support initiatives (in collaboration with strategic partners such as the Department of Economic Development and Tourism (DEDAT), the Western Cape Tourism, Trade and Investment Promotion Agency (WESGRO) and the Small Enterprise Development Agency (SEDA)) to aid key industries, corporates and businesses in successfully navigating the challenging economic climate.
  - Stimulating the local economy by awarding works to the value of R34.5 million (within the "formal quotation" procurement classification – i.e. between R30 thousand – R200 thousand) to local companies.
  - Spending approximately R11.1 million on municipal Expanded Public Works Programmes (EPWP), yielding 638 temporary employment opportunities for beneficiaries throughout the municipal area.
- These highlights are indicative of the team's commitment to excel and continuously strive towards

## MUNICIPAL MANAGER'S MESSAGE

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service excellence, whilst experiencing extreme adversity. Though we are proud of these accomplishments, we recognise that there are urgent challenges and inherent risks that require immediate attention. These remain high on our planning agendas and include the following:

- Vulnerability of infrastructure

Well-functioning and well-maintained municipal infrastructure is a critical prerequisite for rendering quality services and underpinning public value. However, diminishing financial resources, growing population & infrastructure usage patterns and frequent occurrences of infrastructure vandalism (amongst others), exerts significant pressure on the efficacy and sustainability of municipal infrastructure. The municipality is not exempt from these occurrences. Due to consistent population growth and settlement patterns in Zwelethamba, Roodewal, Riverview, Avian Park and Rawsonville, the capacity of the existing sewerage system/network is no longer able to adequately service the mentioned areas. As a result, more sewerage blockage/spills are reported within these hotspot areas. To resolve this infrastructural deficiency, a detailed assessment has been commissioned to ascertain the full extent of the problem coupled with suitable engineering solutions, designs and cost estimates linked to the replacement of the system. R20 million has tentatively been earmarked to execute the recommended engineering solutions and designs, subject to the receipt and due consideration thereof. In addition, the feasibility to undertake a long-term loan is currently being investigated. Once concluded and secured, the loan will be utilized to fund critical infrastructure requirements

and backlogs. Coupled to this, emphasis will be placed on proactively maintaining existing infrastructure to ensure that the useful life of all municipal infrastructure is extended and maximum value for money extracted.

- Vandalism of infrastructure

The level of vandalism and sabotage inflicted on municipal infrastructure remains a great concern. Resources are continuously allocated to repair vandalised infrastructure and safeguard it; however, this is not a sustainable practice as it impacts positive cash flow and financial sustainability. In addition, persistent acts of vandalism and destruction of municipal infrastructure jeopardizes the ability to render quality services. It is therefore imperative that communities and residents take ownership of safeguarding infrastructure and use it in a responsible manner. The Municipality will continuously ensure that quality infrastructure is provided and maintained to aid in service delivery, and frequently communicate on responsible use and safeguarding of infrastructure to promote longevity and return public value.

- High frequency of illegal dumping

Illegal dumping throughout the municipal area remains a pressing concern. It reduces the environmental appeal of our beautiful valley, threatens environmental sustainability and community health and discourages potential investors and guests from visiting our area. The Municipality spends approximately R15 million per financial year on illegal dumping, yet the problem persists. Whilst the Municipality is responsible for providing a clean and healthy external

## MUNICIPAL MANAGER'S MESSAGE

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environment, residents should take ownership in keeping our environment clean – i.e. dispose litter, waste and any other form of refuse within demarcated areas in accordance with applicable procedures and policies. The Municipality earmarks to enhance awareness and educational campaigns on sustainable waste management practices in order to promote a healthy and clean external and living environment. Through mutual collaboration on this issue, we will reduce the applicable expenditure bill and unlock additional resources that could address important socio-economic matters.

- High vacancy rate

The filling of vacancies, specifically critical vacancies, remain an important deliverable of the Municipality. Through revised recruitment and selection initiatives, the Municipality earmarks to attract skilled and suitably qualified incumbents able to enhance responsiveness as well as operational efficacy. Various bulk recruitments are planned within the new financial period,

- Inadequate communication

Concerted efforts are being made to strengthen internal- and inter-governmental collaboration in order to ensure that communities receive holistic information in a concise and timeous manner. We have concluded the final planning phase of our Citizen Engagement Application which is earmarked for publication in July 2021. The application will (amongst others) aid in bridging the communication gap between the Municipality and its constituents. Residents are encouraged to download and familiarize themselves with the application and its functionalities.

- Growing expectations vs diminishing resources

Whilst citizen expectations continue to grow, severe strain is placed on resource availability across all spheres of government – particularly local government. This is exacerbated by (amongst others) poor economic conditions, growing unemployment- and poverty rates and inequality (triple threat). Though the Municipality occupies an essential role in rendering services and creating a conducive environment responsive to citizen needs, the collaboration of civil society and the private sector is imperative to transition into a new narrative.

- Limited access to dignified housing opportunities

As poor economic conditions and the triple threat continue to manifest, increased patterns of in migration to established urban centers and nodes are naturally expected. Coupled to this, localities tend to experience spikes in illegal occupation and land invasion as the housing backlog remain under pressure. As housing and human settlements fall within the domain of national and provincial government, the Municipality will enhance collaboration with these spheres of government in order to find feasible solutions to systematically address the housing backlog. In addition, occurrences of illegal occupation and land invasion will be dealt with in a swift yet dignified manner in order to ensure that land and/or infrastructure earmarked for future development, is appropriately safeguarded. Acts of illegal occupation and land invasion further prohibits the Municipality to adequately service such residents, hence, the need to resolve such matters swiftly and amicably.



## MUNICIPAL MANAGER'S MESSAGE

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As we continue to navigate this complex and challenging path, we recognise the importance of oversight functionaries such as the Council and all statutory committees of Council, and commend the valuable contribution made to couple efficient and clean governance with service delivery excellence. In addition, we recognise the invaluable contributions made by members of this community. You have engaged us robustly and without fear, and held us accountable in executing our mandate.

Through committed administration, diligent oversight functionaries and active citizenry, Breede Valley will remain resilient, build on its achievements and progressively resolve pressing challenges. This will not only underpin our vision of "a unique and caring valley of service excellence, opportunity and growth" but enable us to collectively foster and bequeath a conducive environment for future generations to prosper.

Yours in government

**David McThomas**

**MUNICIPAL MANAGER**

Breede Valley Municipality is proud  
to present this  
2020/21 Annual Report.

The Report describes  
the Municipality's operations  
in terms of its core legislative obligations,  
and the various accomplishments  
and challenges for the period  
1 July 2020 to 30 June 2021.

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





# Chapter 1

## Vision:

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

## Mission

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

# CHAPTER 1: MUNICIPAL OVERVIEW

## 1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

### 1.2.1 Demographic information

#### a) *Municipal geographical information*

The BVM covers an area of approximately 3 833 km<sup>2</sup> stretching from the Du Toitskloof Mountains in the south west to the Kwadousberg in the south east and includes the towns of Rawsonville, Worcester, De Doorns and Touwsrivier, as well as the rural areas adjacent to and between these towns and the Matroosberg rural area. The town of Worcester lies on the N1 and has a major railway link, which presents the town with a locational advantage that provides access to inland markets. The most striking feature of the Breede Valley is its scenic beauty. Majestic mountains, fertile valleys, vineyards and vast plains covered with indigenous semi-desert vegetation captivate the soul. Apart from the formal settlement areas, the municipality has several informal settlements. The region has a counted population of 166 825 (inclusive of the informal settlements), based on 2011 StatsSA census data and 176 578 based on the 2016 StatsSA Community Survey. In 2021, the region has an estimated population figure of 195 364 as per the 2020 Municipal Economic Review and Outlook (MERO) as compiled by Provincial Treasury .

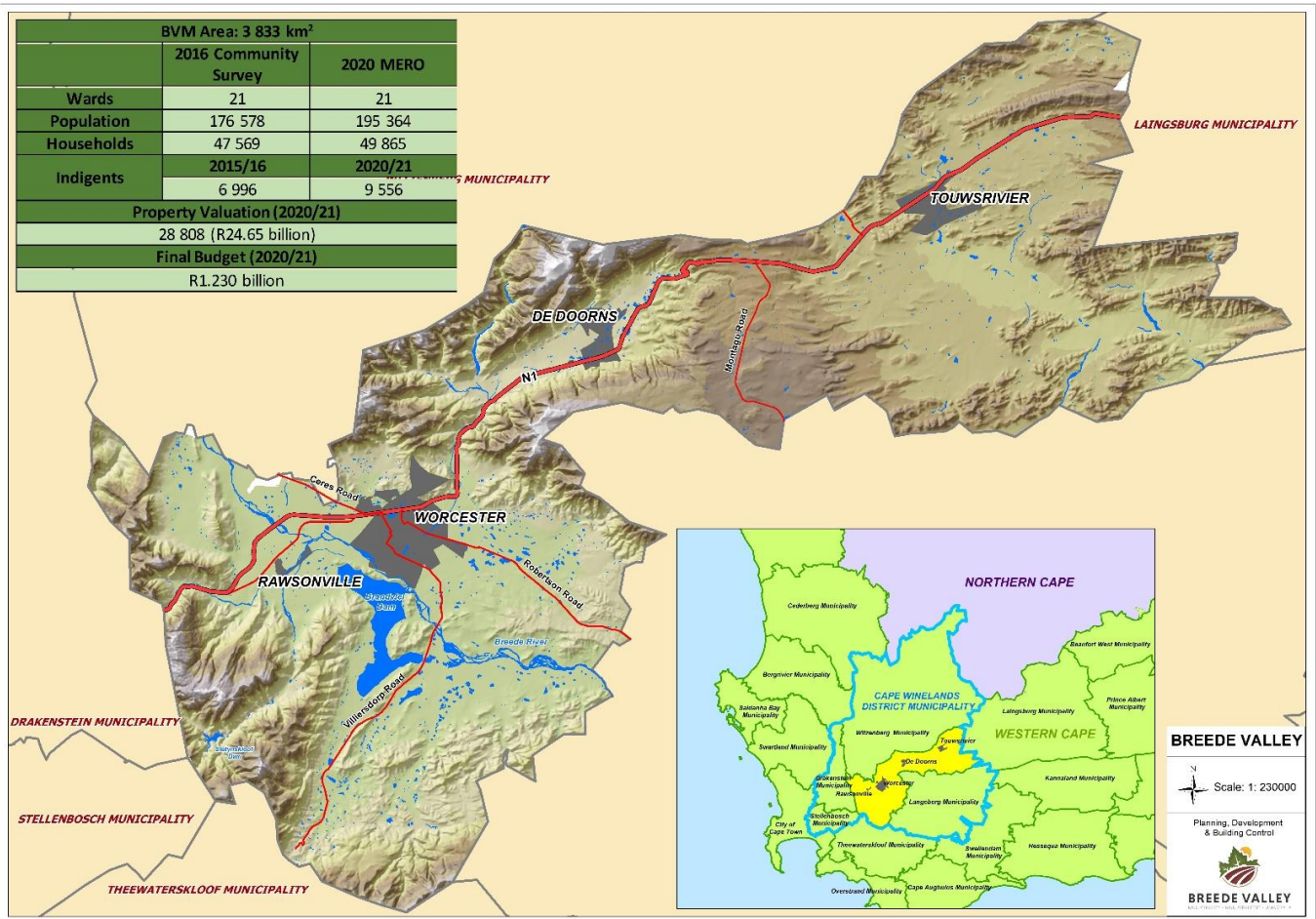


Figure 1: Breede Valley Municipal Area



## CHAPTER 1: MUNICIPAL OVERVIEW

### Wards

The BVM was formed in December 2000 encompassing the towns of Touwsrivier, De Doorns, Worcester and Rawsonville. The Municipality is structured into the following 21 wards:

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

*Table 1- Municipal wards*

# CHAPTER 1: MUNICIPAL OVERVIEW

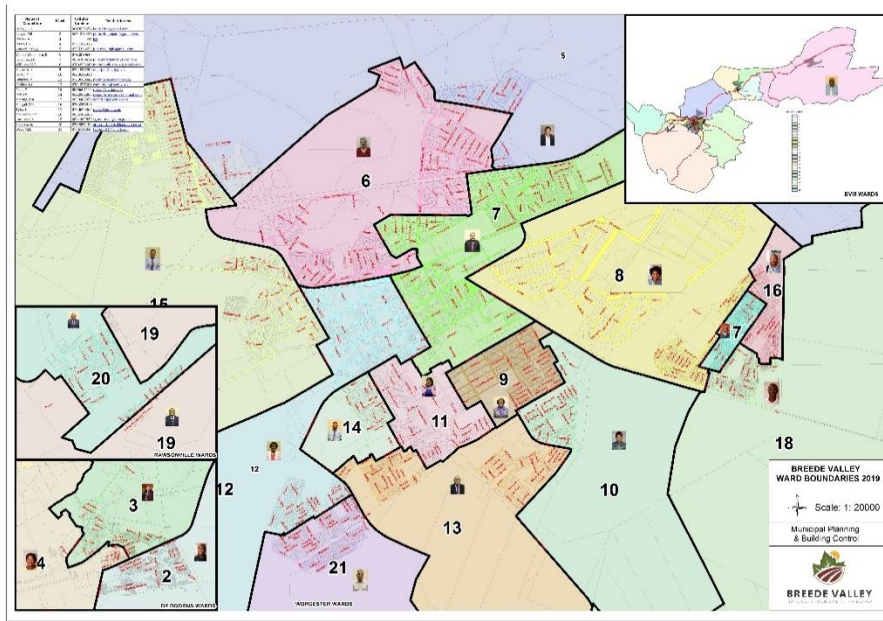


Figure 2: Municipal wards

## Worcester

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

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

Worcester is considered as one of the largest wine growing regions in South Africa, both in number of vines and volume of wine produced, accounting for approximately 12% of the total production as per the

2018 statistics. There is plenty to see and do in the area and being so centrally situated to the surrounding towns, Worcester is an ideal base from which to explore the region.

## De Doorns, Hex River Valley

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

The little town of De Doorns lies at the centre of the Hex River valley, only one and a half hours' drive from Cape Town, just off the N1 and 35 kilometres north of Worcester, in the midst of South Africa's table grape industry. This is a valley of rolling vineyards, historical

## CHAPTER 1: MUNICIPAL OVERVIEW

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Cape Dutch homesteads and snow-capped mountains during winter that combine to make it one of the most picturesque valleys, particularly during autumn when the different vines give rise to a display of variegated colour so rich that all who see it are inspired and none left untouched by its beauty.

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

### Rawsonville

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

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

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

Town and 15 km to the west of the large town of Worcester.

### Touwsrivier

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

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

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

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

## CHAPTER 1: MUNICIPAL OVERVIEW

east. By rail it is 257 kilometres (160 miles) from Cape Town.

### b) Population

Population size provides an indication of the volume of demand for government services in a geographical space. It also serves as a planning measure to assist budget planners to match available resources to address the relative demand for services. Of the five local municipalities within the Cape Winelands District, it is estimated that Breede Valley has the third largest population (195 364 in 2021). This total is estimated to increase to 202 233 by 2024 which equates to a 1.2% annual average growth rate. The estimated population growth rate of Breede Valley is therefore lower than the estimated population growth of the Cape Winelands of 1.7%.

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

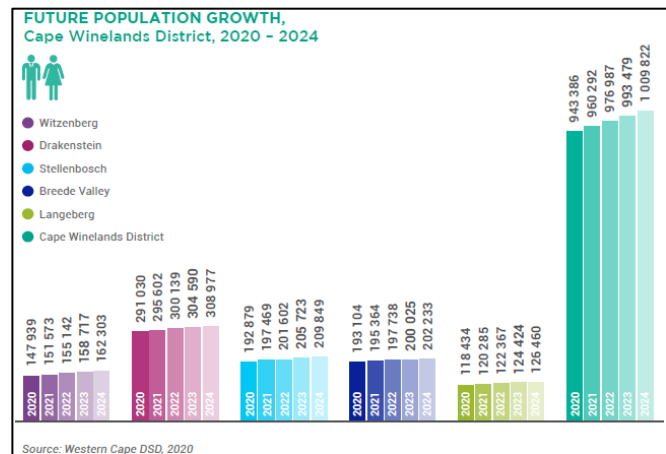


Figure 3: CWD Future Population Growth

### c) Households

As per Provincial Treasury's 2020 MERO, the total number of households within the municipal area is estimated at 49 865. It is imperative to note that this estimated figure is based on research and forecasts conducted by Quantec Research.

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

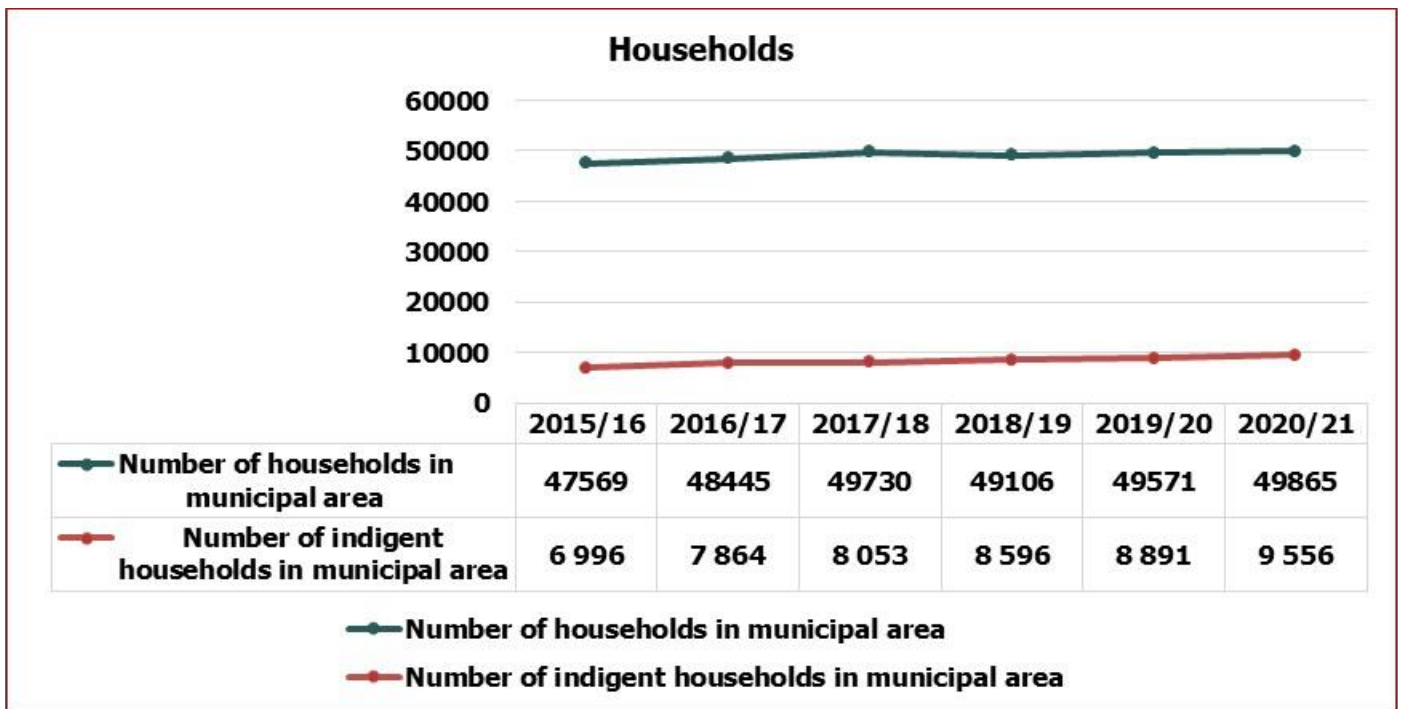
Households	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of households in municipal area	47 569*	48 445#	49 730#	49 106#	49 571#	49 865#
Number of indigent households in municipal area	6 996	7 864	8 053	8 596	8 891	9 556

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

Table 2- Total number of households

## CHAPTER 1: MUNICIPAL OVERVIEW

The graph below shows that the total number of indigent households grew from 6 996 in the 2015/16 to 9 556 in the 2020/21 financial year



Graph 1: Indigent household representation within the municipal area

### d) Key economic sectors and employment by industry

The table below indicates the Gross Domestic Product per Region (GDPR) performance of each CWD municipal area in 2018, the growth trends between 2014 and 2018, and the estimated contribution to GDPR in 2019 (as derived from the 2020 MERO):

Municipality	R million value 2018	Contribution to GDPR (%) 2018	Trend 2014 – 2018 (%)	Real GDPR growth (%) 2019e
Witzenberg	R9 320.3	13.8%	3.1%	0.4%
Drakenstein	R22 022.4	32.6%	1.4%	0.0%
Stellenbosch	R16 176.0	24.0%	1.4%	0.1%
Breede Valley	R12 936.8	19.2%	1.7%	0.0%
Langeberg	R6 995.6	10.4%	1.9%	-0.3%
<i>Total Cape Winelands District</i>	<i>R67 451.1</i>	<i>100.0%</i>	<i>1.7%</i>	<i>0.1%</i>
<b>Western Cape Province</b>	<b>R589 443.7</b>	<b>-</b>	<b>1.4%</b>	<b>0.3%</b>

Table 3- Cape Winelands District GDPR contribution and average growth rates per municipal area, 2018



## CHAPTER 1: MUNICIPAL OVERVIEW

BVM achieved an economic growth rate of 1.7%, matching the average growth rate of 1.7% recorded in the Cape Winelands District over the period 2014 to 2018. In addition, the Municipality contributed an approximate amount of R13 million to the Gross Domestic Product (GDP) of the Cape Winelands District (CWD) which represents a 19.2% contribution to the GDP (the third largest within the district).

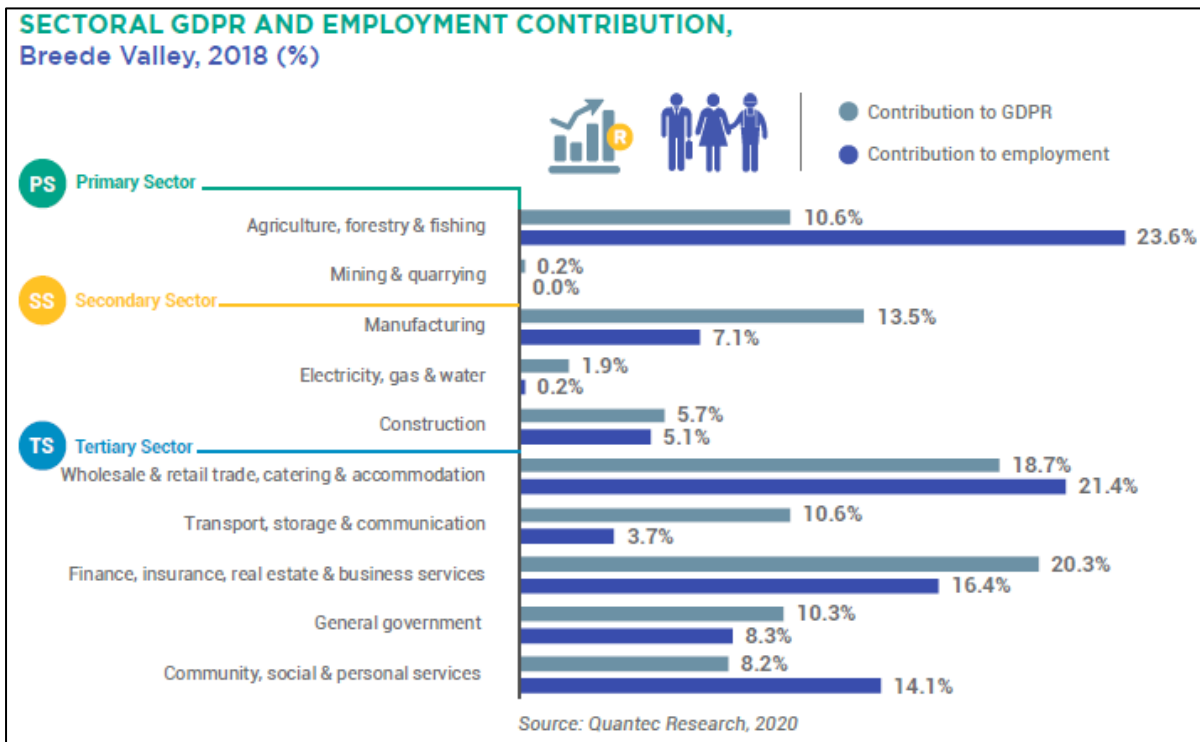


Figure 4: Breede Valley sectoral GDP and employment contribution, 2018 (%)

In terms of employment, the "Agriculture, Forestry and Fishing" and "Wholesale & Retail Trade, Catering & Accommodation" sub-sectors were the biggest contributors to employment in the area. The "Finance, Insurance, Real Estate & Business Services" sub-sector, followed by the "Wholesale & Retail Trade, Catering & Accommodation" sub-sector, were the largest contributors to GDP in the municipal area's economy.

There are some sectors/sub-sectors that make a significant contribution to GDP relative to the number of persons employed in the sector/sub-sector, whilst the opposite applies for other sectors/sub-sectors. The "Community, Social and Personal Services" (14.1%) and "Agriculture, Forestry and Fishing" (23.6%) sub-sectors contribute more towards employment relative to the output generated from their respective sub-sectors. Conversely, the "Manufacturing" sub-sector contributes more to GDP (13.5%) compared to employment (7.1%) indicating that the manufacturing sub-sector in the municipal area is capital-intensive.

## CHAPTER 1: MUNICIPAL OVERVIEW

Sector	GDPR			Employment		
	R million value 2018	Trend 2014 - 2018	Real GDP Growth 2019e	Number of jobs 2018	Average Annual Change 2014 - 2018	Employment (net change) 2019e
Primary Sector	R1 399.0	-0.7%	-9.5%	20 638	108	-214
Agriculture, forestry and fishing	R1 372.1	-0.8%	-9.6%	20 332	108	-212
Mining and quarrying	R26.9	1.3%	-2.9%	36	0	-2
Secondary Sector	R2 727.0	1.0%	-0.9%	10 682	261	-345
Manufacturing	R1 743.4	0.8%	-0.3%	6 083	58	-55
Electricity, gas and water	R250.9	-2.9%	-4.2%	179	0	-2
Construction	R732.8	3.1%	-1.8%	4 420	203	-288
Tertiary Sector	R8 810.7	2.4%	1.9%	54 997	1 555	769
Wholesale and retail trade, catering and accommodation	R2 425.3	2.1%	0.7%	18 373	616	532
Transport, storage and communication	R1 368.7	1.6%	0.0%	3 204	60	124
Finance, insurance, real estate and business services	R2 622.5	4.6%	4.5%	14 096	619	208
General government	R1 336.6	-0.7%	-0.1%	7 173	2	61
Community, social and personal services	R1 057.6	1.3%	0.7%	12 151	258	-156
<b>Total Breede Valley</b>	<b>R12 936.8</b>	<b>1.7%</b>	<b>0.0%</b>	<b>86 047</b>	<b>1 924</b>	<b>210</b>

*Source: Quantec Research, 2020 (e denotes estimate)*

Table 4- Breede Valley GDPR and employment performance per sector, 2018

In 2018, the Breede Valley municipal area's tertiary sector was valued at R8.8 billion, which was 68.1% of the region's total GDPR during the year. Between 2014 and 2018, the tertiary sector experienced an annual average growth rate of 2.4%, which was largely driven by the significant average growth rate of 4.6% per annum in the "Finance, Insurance, Real Estate and Business Services" sub-sector. Estimates indicate that growth slowed to 1.9% in the tertiary sector in 2019. Positively, the "Finance, Insurance, Real Estate and Business Services" sub-sector is estimated to have continued to exhibit a strong growth rate of 4.5% during the year.

Despite the strong performance of the "Construction" sub-sector between 2014 and 2018, the secondary sector achieved marginal average annual growth rates of 1.0% over the five-year period. This was due to the tepid growth rates of 0.8% in the "Manufacturing" sub-sector and the average annual contractions of 2.9% in the "Electricity, Gas and Water" sub-sector. Estimates for 2019 indicate that the secondary sector experienced a contraction of 0.9% during the year, with the "Manufacturing" sub-sector, the "Electricity, Gas and Water" sub-sector and the "Construction" sub-sector experiencing contractions of 0.3%, 4.2% and 1.8% respectively.

## CHAPTER 1: MUNICIPAL OVERVIEW

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The primary sector, which is mainly driven by the "Agriculture, Forestry and Fishing" sub-sector, experienced average annual contractions of 0.7% between 2014 and 2018. Estimates for 2019 indicate that the "Agriculture, Forestry and Fishing" sub-sector experienced a significant contraction of 9.6% during the year, while the "Mining and Quarrying" sub-sector experienced a contraction of 2.9%.

The "Agriculture, Forestry and Fishing" sub-sector's poor economic performance between 2014 and 2018 led to marginal growth in employment over the five-year period. Between 2014 and 2018, the "Agriculture, Forestry and Fishing" sub-sector saw an average annual increase in employment of 108 jobs. Estimates for 2019 indicate that the "Agriculture, Forestry and Fishing" sub-sector, which is the region's leading contributor to employment, shed 212 jobs during the year. Employment in the secondary sector also declined. Estimates for 2019 indicate that 345 jobs were lost in the secondary sector, with the "Construction" sub-sector accounting for 288 job losses. Job losses in the Breede Valley municipal area were as a result of the closure of businesses, for example Hextex and PA Venter furniture manufacturers. Many businesses also had to reduce their number of staff.

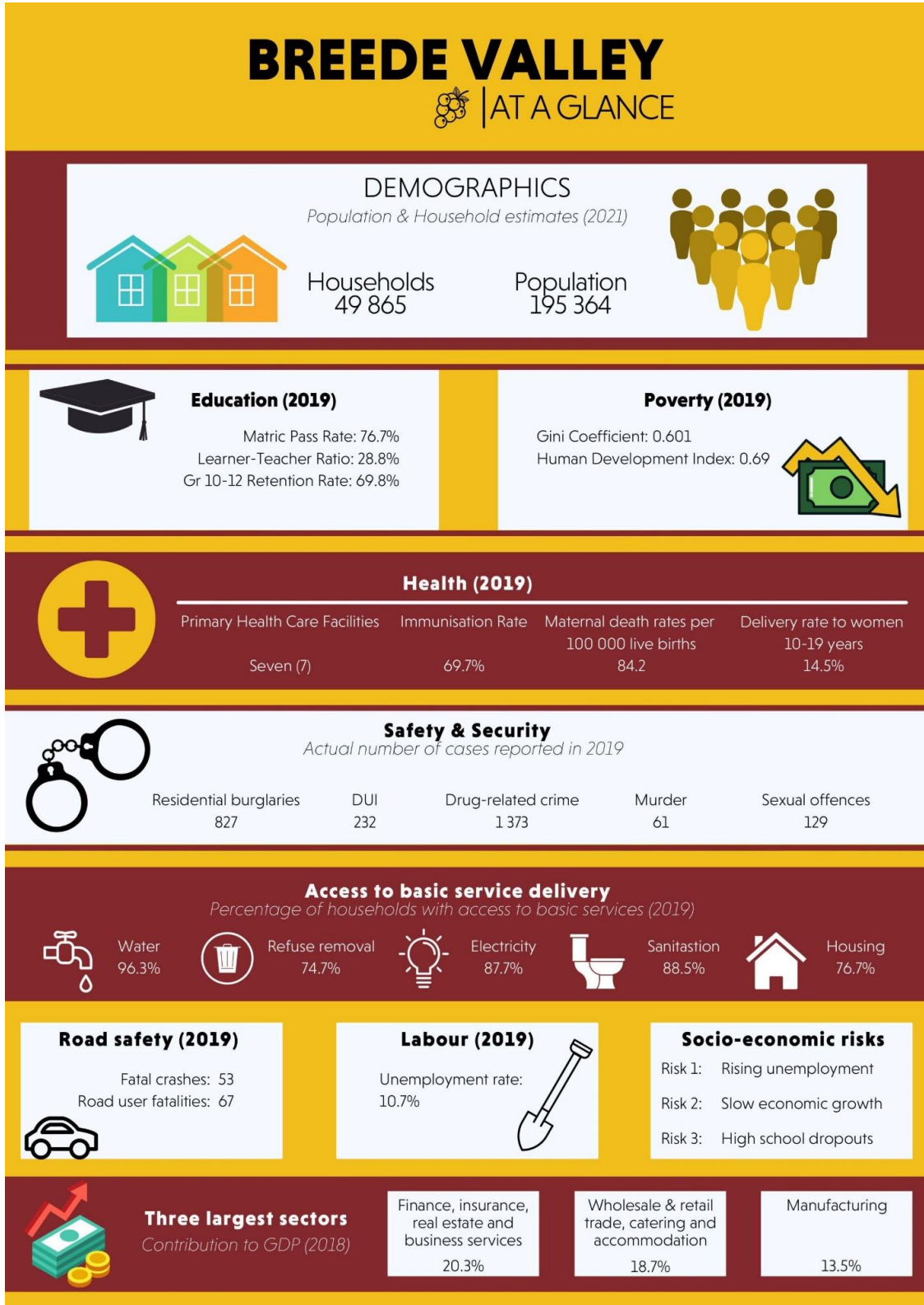
Positively, the performance of the tertiary sector has allowed for expansion in employment in this sector. Between 2014 and 2018, the tertiary sector created an average of 1 555 employment opportunities per annum. This was mainly due to job opportunities created in the "Finance, Insurance, Real Estate and Business Services" sub-sector, with an average increase of 619 jobs per annum, and the "Wholesale and Retail Trade, Catering and Accommodation" sub-sector, with an average increase of 616 jobs per annum. Estimates for 2019 indicate employment in the tertiary sector has continued to grow, with 769 jobs being created during the year – 532 of which were created in the "Wholesale and Retail Trade, Catering and Accommodation" sub-sector.

# CHAPTER 1: MUNICIPAL OVERVIEW

## 1.2.2 Socio economic information

### a) Socio economic profile

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



## CHAPTER 1: MUNICIPAL OVERVIEW

### 1.2.3 Municipal challenges

The following general challenges are experienced by the Municipality:

Challenges	Actions to address
Upper limits for senior managers (Municipal Manager and directors)	<p>Significant unhappiness exists through-out the country regarding the senior managers (directors and the Municipal Manager) upper limits that was not published for the 2020/21 nor 2021/22 financial years. The last upper limits were published on 20 March 2020, effective from 1 July 2019 to 30 June 2020. Therefore, no upper limits were gazetted during 2021 to be effective from 1 July 2021. In addition, increases in 2019/20 was 0% for the Municipal Manager and 2.7% for directors. This was whilst other employees received increases of 6.5% plus a notch increase in 2019 and 3.5% increase in 2020. The upper limits issued in 2020 clearly state that it is for the 2019/20 financial year, and it must be appropriated from that year's budget.</p> <p>This situation resulted in the conflicting situation that juniors three levels down from directors, on TASK Level 16 earn more than the beginning notch of directors and those on TASK 18 earn more than the maximum of directors' upper limits. For example, the Director Engineering Services, who is Council's Head Engineer and who carry significant legal responsibility would earn less that those managers and their juniors.</p> <p>Several municipalities in the Western Cape and elsewhere had opted to determine its own salary cost of living adjustments for its senior managers. This situation was questioned by many as being unlawful.</p> <p>With cost-of-living increases being provided by several municipalities around us, it obviously affects the morale of current senior managers. Also, the Municipality struggle to recruit suitable directors. This was evident with the Director Public Services post that had to be advertised several times before suitable candidates could be found. Current acting managers could not apply as they already earned more and was permanently employed.</p> <p>This situation must be urgently addressed to ensure stability and organisational morale improve</p>
Skill shortages and high staff turnover	Implement staff retention strategy & prioritise the filling of staff vacancies in accordance with the Recruitment and Selection Policy and best practices
Limited integration between directorates and departments	Design internal service level agreements (SLAs)/charters to facilitate inter departmental collaboration
Limited budget for maintenance or replacement of ageing infrastructure	Design and implement revenue enhancement strategies. In addition, critical maintenance works (specifically relating to basic service infrastructure)



## CHAPTER 1: MUNICIPAL OVERVIEW

Challenges	Actions to address
	must be adequately budgeted for and prioritised. The maintenance schedules should, in turn, be diligently implemented and closely monitored
Poverty and increasing indigent households	Enhance the free basic services provisioning in the annual budget. It is critical that municipal initiatives, linked to the creation of an enabling environment for economic growth and development, are duly resourced and supported in order to address the poverty landscape within the locality
Limited capital reserves	Design and implement revenue enhancement action plans
Proliferation of informal settlements	Implement formalisation of informal settlement plans
Limited rural development	Rural development is incorporated in the Spatial Development Framework (SDF) and is addressed as part of the Regional Socio-Economic Programme (RESP). In addition, the Municipality has been selected by SALGA to form part of the very unique and first of its kind Regional SDF. It will focus on developing an SDF for the Karoo Region that spans across various provinces and municipalities
High crime levels	A collective drive is required to ensure that the objective depicted in BVM's Safety Plan is duly realised. Resources that commensurate with these objectives, must be availed to progress towards safer communities. This challenge is not a municipal mandate solely, but requires a multi-sectoral/disciplinary collaborative approach as crime affects all facets of society. To play its part in this cause, BVM must ensure that initiatives reliant on multi-sectoral collaboration, are duly facilitated and brought under the attention of the applicable role-players. Ultimately, the Municipality envisages to, in collaboration with key governmental, private and non-governmental partners, address the ever-growing challenge of crime in order to enhance societal well-being
Covid-19 pandemic	Continuous evaluation and implementation of proactive measures to protect the municipal workforce and support the socio-economic well-being of society (within reasonable means and resources)

*Table 5- Municipal challenges*

## CHAPTER 1: MUNICIPAL OVERVIEW

### 1.3 SERVICE DELIVERY OVERVIEW

#### 1.3.1 Basic service delivery highlights

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

Highlights	Description
Resealing of municipal roads	During the period under review, 88.18km of municipal roads were resealed at a cost of R70.7 million. The segment lengths completed per town, are depicted below: <ul style="list-style-type: none"> <li>• Worcester – 60.76km</li> <li>• Touwsrivier – 19.04km</li> <li>• De Doorns – 5.69km</li> <li>• Rawsonville – 2.69km</li> </ul>
Procurement of a Jet Vac Truck	An additional Jet Vac Truck has been procured and commissioned in service to aid in maintaining the local sewer network
Replacement of water pipes in Botha Avenue & Hans De Lange Street	Replace old water pipes
Contribution to temporary job creation within the Solid Waste & Area Cleaning Department	During the period under review, the department made a significant contribution towards temporary employment and upskilling opportunities within the community. Beneficiaries were placed in programmes relating to the monitoring of illegal dumping, area cleaning, as well as recycling (Municipal Recovery Facility)
Riverview Flats public lighting	Additional amount of 144 LED fittings for public lighting were installed
Maintenance of electrical network in Touwsrivier	Replacement of overhead copper conductor with aluminium conductor in Logan Street, Touwsrivier

*Table 6- Basic services delivery highlights*

#### 1.3.2 Basic service delivery challenges

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

Service Area All Wards	Challenge	Actions to address
Water supply	Insufficient maintenance budget	Additional funding must be prioritised and allocated to maintenance projects
Sanitation	Vandalism of infrastructure	Secure funding to safeguard assets
	Vacancies	Filling of critical vacancies to be prioritised and filled (in collaboration with HR). Funding has tentatively been secured in the forthcoming financial period to

## CHAPTER 1: MUNICIPAL OVERVIEW

Service Area All Wards	Challenge	Actions to address
		commence upgrading works linked to the sanitation system/network
Roads	Vacancies	Filling of critical vacancies within the Roads Department should be prioritised
Solid waste	Aging municipal fleet resulting in frequent breakdowns	Secure funding to procure new operational fleet, as well as operational funding earmarked for maintenance of existing fleet. Implement stronger monitoring and evaluation controls to ensure that existing fleet is utilised in a manner that safeguards and extends the longevity thereof
Electrical	Theft and vandalism of electrical equipment such as cables, overhead conductors, streetlights, distribution boxes, substations, etc. within BVM	<ul style="list-style-type: none"> <li>• Replacing copper with aluminium conductors</li> <li>• Further investigate streetlight fittings to introduce vandal proof equipment</li> <li>• Install fencing, alarm and camera systems to protect electrical equipment</li> </ul>
	Illegal connections connected onto the electrical network	Remove illegal connections with the assistance of ward councillors

*Table 7- Basic service delivery challenges*

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

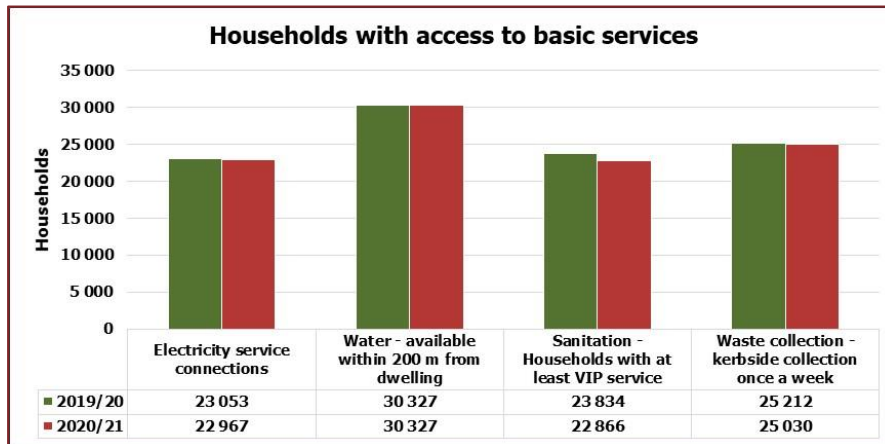
The table indicates the total number of households that have access to the minimum levels of basic services:

Level of services	2019/20#	2020/21#
Electricity service connections	23 053*	22 967*
Water - available within 200 m from dwelling	30 327	30 327
Sanitation - Households with at least VIP service	23 834	22 866
Waste collection - kerbside collection once a week	25 212	25 030
* Excludes Eskom households		
# Data in line with SAMRAS and the database from the Department of Human Settlements: 2014 image count		

*Table 8- Households with minimum level of basic services*

## CHAPTER 1: MUNICIPAL OVERVIEW

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



Graph 2: Households with access to basic services

### 1.4 FINANCIAL HEALTH OVERVIEW

#### 1.4.1 Financial viability highlights

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

Highlight	Description
Debt collection rate of 95% maintained	Despite the current economic circumstances, the Municipality managed to collect 95% of its outstanding debt which is well within the national norm
Unqualified (clean) audit opinion	The Municipality obtained an unqualified (clean) audit opinion despite the lockdown restrictions that was implemented

Table 9- Financial viability highlights

#### 1.4.2 Financial viability challenges

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

Challenge	Action to address
Decrease in revenue due to slow economic growth	Proper budgetary control measures were in place to ensure a realistic budget are tabled to Council
Increase in indigent subsidies due to economic conditions and the impact of COVID 19	Continuous review of indigent portfolio
Adverse economic conditions having a negative effect on the debt collection efforts of the Municipality	Strengthening of already established credit control and debt collection processes

Table 10- Adverse economic conditions having a negative effect on the debt collection efforts of the Municipality Financial viability challenges

## CHAPTER 1: MUNICIPAL OVERVIEW

### 1.4.3 National key performance indicators – Municipal Financial Viability and Management (Ratios)

The following table indicates the municipality's performance in terms of the **national key performance indicators** required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the MSA. These key performance indicators are linked to the **national key performance area** namely **municipal financial viability and management**.

KPA and indicator	2019/20	2020/21	Comments
Debt coverage- [(Total operating revenue-operating grants received)/debt service payments due within the year]	29.56%	27.21%	The ratio measures the Municipality's ability to finance debt out of own funding. The ratio slightly decreased from 29.56% in 2019/20 to 27.21% in 2020/21 due to the decrease in revenue
Service debtors to revenue- (Total outstanding service debtors/ revenue received for services)	15.66%	14.48%	The ratio improved from 15.66% in 2019/20 to 14.48% in 2020/21 because of a decrease in outstanding service debtors
Cost coverage- (Available cash + investments)/ Monthly fixed operating expenditure	2.08	2.32	The ratio measures the Municipality's ability to pay its short-term obligations. Ratio improved from 2.08 in 2019/20 to 2.32 in 2020/21

*Table 11- National KPIs for financial viability and management*

### 1.4.4 Financial overview

The table below shows the financial overview of the municipality for the 2020/21 financial year:

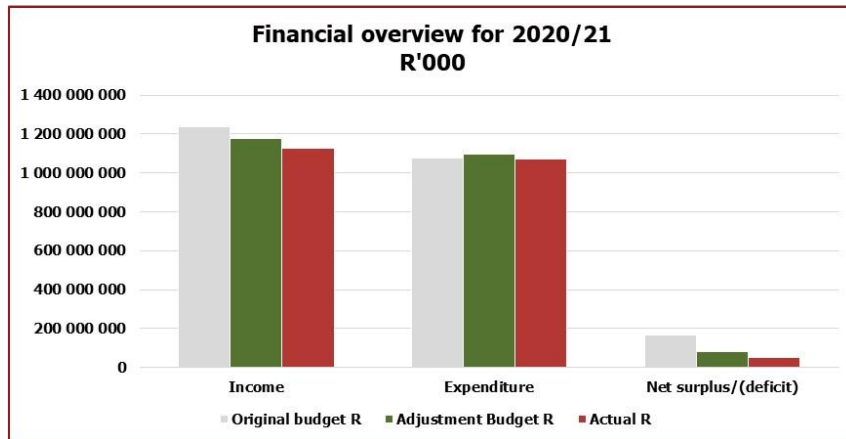
Details	Original Budget	Final Budget	Actual
			R
<b>Income</b>	<b>1 238 979 050</b>	<b>1 177 445 510</b>	<b>1 124 231 130</b>
Grants	291 596 275	226 278 634	221 389 902
Taxes, levies and tariffs	793 945 400	791 445 400	800 032 481
Other	153 437 375	159 721 476	102 808 747
<b>Less: Expenditure</b>	<b>1 074 875 275</b>	<b>1 095 035 017</b>	<b>1 071 276 967</b>
<b>Net surplus/(deficit)</b>	<b>164 103 775</b>	<b>82 410 493</b>	<b>52 954 163</b>

*Table 12- Financial overview*



## CHAPTER 1: MUNICIPAL OVERVIEW

The graph below shows the financial overview for 2020/21:



Graph 3: Financial overview for 2020/21

### 1.4.5 Operating ratios

The following table contains the operating ratios for the 2020/21 financial year:

Detail	Expected norm	Actual	% Variance
	(% )		
Employee cost	35	33.36	1.64
Repairs and maintenance	8-12	5.12	2.88-6.88
Finance charges and depreciation	18	10.56	7.44

Table 13- Operating ratios

### 1.4.6 Total capital expenditure

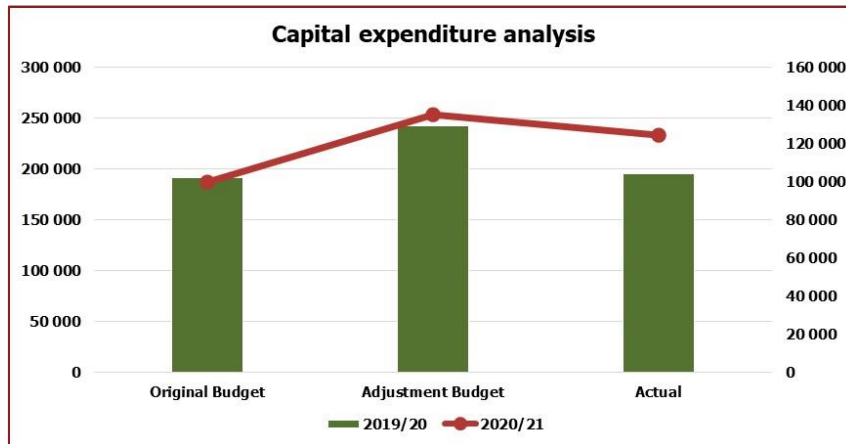
The table below shows the total capital expenditure for the last two financial years:

Detail	2019/20	2020/21
	(R'000)	
Original budget	191 723	99 914
Adjustment budget	242 686	135 219
Actual	195 481	124 588

Table 14- Total capital expenditure

## CHAPTER 1: MUNICIPAL OVERVIEW

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



*Graph 4: Total capital expenditure*

### 1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

#### 1.5.1 Municipal Transformation and Organisational Development highlights

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

Highlight	Description
HR Administration: HR File Plan development	The HR File Plan has been developed to ensure compliance document management and business continuity as well as preparation for POPI implementation
HR Organisational Development: TASK job descriptions project	The TASK job description project was implemented with at least 97% finalised at the end of 30 June 2021. The only job descriptions outstanding relates to posts which requires restructuring i.t.o. current procedures approved by Council on the 26th of January 2021, when the new organogram had been approved. The organisational structure has been numbered and post categorisation completed in preparation of revision. Collation of all TASK evaluated job descriptions will serve as a basis for revision and preparation of performance management escalation of staff beyond senior management level
HR Skills Development: Municipal staff completed tertiary studies through intervention by BVM top management	The Municipality promotes capacitation and development of staff. Staff had completed their final year of studies, thus graduating in various fields in human resources, public administration and finance. Several other students have also started studies and have qualified for bursaries from BVM
HR Occupational Health and Safety: Decline in occupational health and safety cases	The decline can be ascribed to the monitoring by the Occupational Health and Safety Officer

## CHAPTER 1: MUNICIPAL OVERVIEW

Highlight	Description
HR Occupational Health and Safety: Implementation of COVID regulations	Due to the effective intervention and implementation of COVID protocols, BVM accounted for 0.3% of all COVID cases among the 30 reporting municipalities

*Table 15- Municipal Transformation and Organisational Development highlights*

### 1.5.2 Municipal Transformation and Organisational Development challenges

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

Challenge	Actions to address
Upper limits for senior managers (Municipal Manager and directors). No cost-of-living adjustments for senior managers earning less than staff levels down with lesser responsibility. No upper limits was issued in the 2020/21 financial year (1 July 2020 to 30 June 2021). In 2019/20 increases were 0% for the Municipal Manager and 2.7% for directors	Senior managers' upper limits must be corrected or gazetted. In the absence of any gazetted upper limits Council must take responsibility to address the situation
HR Administration: Financial constraints due to COVID	The financial constraints experienced in HR has major impact on performance. Staff are not able to procure the necessary technical equipment to implement training, recruitment and selection and skills development training
HR Labour Relations: Discipline within the organisation	Continuous initiation of disciplinary processes

*Table 16- Municipal Transformation and Organisational Development challenges*

### 1.5.3 MFMA competencies

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

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

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

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

## CHAPTER 1: MUNICIPAL OVERVIEW

Description	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
<b>Financial officials</b>				
Accounting Officer	1	1	1	1
Chief Financial Officer	1	1	1	1
Senior managers S57	3	3	3	3
Any other financial officials	2	2	N/A	2
<b>Supply chain management officials</b>				
Heads of supply chain management units	1	1	N/A	1
Senior Manager: SCM	1	1	N/A	1
<b>TOTAL</b>	<b>9</b>	<b>9</b>	<b>5</b>	<b>9</b>

*Table 17- Financial competency development: Progress report*

### 1.6 AUDITOR-GENERAL REPORT

The Auditor-General of South Africa has a constitutional mandate and, as the Supreme Audit Institution (SAI) of South Africa, exists to strengthen our country's democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence. In short, the Auditor-General checks the spending of public money by looking at whether it has been used ideally and for the purposes intended. This is done by annually checking all government spending.

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

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

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

- **Unqualified audit without findings:** The financial statements are free from material misstatements and there are no material findings on reporting on predetermined objectives or non-compliance with legislation. This is commonly referred to as a "clean audit" outcome.

## CHAPTER 1: MUNICIPAL OVERVIEW

- **Unqualified audit with findings:** The financial statements contain material misstatements. Unless a clean audit outcome is expressed, findings will be raised on either reporting on predetermined objectives or non-compliance with legislation, or both these aspects.
- **Qualified audit opinion:** The financial statements contain material misstatements in specific amounts, or there is insufficient evidence to conclude that specific amounts included in the financial statements are not materially misstated.
- **Adverse audit opinion:** The financial statements contain material misstatements that are not confined to specific amounts, or the misstatements represent a substantial portion of the financial statements.
- **Disclaimer of audit opinion:** Insufficient evidence was provided in the form of documentation on which to base an audit opinion. The lack of sufficient evidence is not confined to specific amounts or represents a substantial portion of the information contained in the financial statements.

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

The key control exercise, which is a quarterly assessment initially implemented by the Auditor-General to monitor performance of the municipality, was performed in-house by the Internal Audit team of BVM for the 2020/21 financial year. The findings of the quarterly assessment, together with the audit findings of the previous year, a complete compliance list and the emerging risks identified by the Auditor-General and top ten risks of each directorate were included in the MGRO document to ensure good governance. Progress is being followed up on a continuous basis. MGRO has been included on the dashboard of the Municipal Manager and action plans are monitored on a regular basis.

### 1.6.1 Audited outcomes

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

Year	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
<b>Status</b>	Unqualified audit without findings (Clean Audit)	Unqualified audit without findings (Clean Audit)	Unqualified audit without findings (Clean Audit)	Unqualified audit with findings	Unqualified audit without findings (Clean Audit)	Unqualified audit without findings (Clean Audit)

*Table 18- Audit outcomes*

## CHAPTER 1: MUNICIPAL OVERVIEW

### 1.7 IDP, BUDGET AND PMS PROCESS

Below is a summary of key activities that took place throughout the 2020/21 financial year in terms of the IDP, Budget and PMS process:

MONTH	ACTIVITIES	DUE DATE	LEGISLATION	RESPONSIBLE PERSON/STRUCTURE
<b>ANALYSIS PHASE</b>				
<b>Jul-20</b>	Preparation of the draft 2021/22 IDP/Budget/Performance Management Time Schedule (hereafter referred to as the Time Schedule) for implementation in the 2020/21 financial period		MFMA S21(1)(b)	Executive Management/BVM Management//IDP & PMS Unit
	Executive/Senior Management to discuss & provide input on the draft Time Schedule & to ensure internal alignment			Executive Management/BVM Management//IDP & PMS Unit
	Engagement with the District Municipality to ensure alignment of the draft Time Schedule, followed by the submission thereof to the Provincial Government and District Municipality			PGWC/CWDM/IDP & PMS Unit
	Address provincial IDP Assessment findings (subject to the receipt of correspondence from the Provincial DLG)		MSA S31	DLG/Executive Management/BVM Management/IDP & PMS Unit
	Executive Mayor initiates planning for next three-year budget cycle in accordance with co-ordination role of budget process and review of previous year's budgeting process		MFMA S53	Executive Mayor/Executive Management
	Accounting Officer, Executive Management and Senior Management of municipality review options and contracts for service delivery		MSA S76-81	Executive Management/BVM Management
	Approve and announce new budget schedule and set up committees and forums after consultation			Executive Management



## CHAPTER 1: MUNICIPAL OVERVIEW

MONTH	ACTIVITIES	DUE DATE	LEGISLATION	RESPONSIBLE PERSON/STRUCTURE
	on performance and changing needs			
	Submission of 2019/20 Q4 performance inputs by BVM Management			Executive Management/BVM Management/IDP & PMS Unit
	Tabling & submission of Q4 SDBIP Performance Report (for last quarter of 2019/20) to Council & stakeholders		MSA S41 (1)(e); MFMA S52 (d); MPPR Reg. 14	Director Strategic Support Services/IDP & PMS Unit
	Finalisation of S57 Performance Agreements & submission to the Executive Mayor & Municipal Manager for approval by no later than 31 July 2020 (subject to not being concluded during June)		MFMA S69 MSA S57	Executive Mayor/Executive Management/IDP & PMS Unit
	Tabling the approved SDBIP & S57 Performance Agreements in Council for notification purposes			Council/Executive Management/IDP & PMS Unit
	Commence with the preparation/review of Sector Plans for consideration/incorporation in the 2021/22 IDP & Budget			Executive Management/BVM Management
	Preparation of the 2019/20 draft Annual Financial Statements & collation of user input into the 2019/20 draft Annual Report & Annual Performance Report		MFMA S126(1)(a); MSA S46	Executive Management/BVM Management/IDP & PMS Unit
<b>Aug-20</b>	Roll-Over Budget tabled to Council	Aug 2020	MFMA S28(2)(e), MBRR 23(5)	CFO/Budget & Costing Unit
	Executive Mayor tables the Time Schedule in Council	20-Aug	MFMA S21,22, 23, MSA S34	Council/IDP & PMS Unit
	Submit approved Time Schedule to National Treasury, Provincial Treasury, Department of Local Government and the Cape Winelands District Municipality	20-Aug		IDP & PMS Unit
	Publication of the approved Time Schedule in			IDP & PMS Unit

## CHAPTER 1: MUNICIPAL OVERVIEW

MONTH	ACTIVITIES	DUE DATE	LEGISLATION	RESPONSIBLE PERSON/STRUCTURE
	order to meet AG audit requirements			
	Review comments received from DLG (where applicable) on the 2020/21 IDP document			IDP Steering Committee/IDP/PMS unit
	Self-assessment to identify gaps in the IDP process			IDP Steering Committee / IDP/PMS unit
	Review situational analysis to identify changing community needs and challenges			IDP Steering Committee / IDP/PMS unit
	Review of Municipal Strategies, Objectives, KPA's, KPI's and targets			IDP Steering Committee / IDP/PMS unit
	Accounting Officer submits final draft Annual Financial Statements and Annual Performance Report to the Auditor-General by 31 August 2020	20-Aug	MFMA S126(1)(a); MSA S46	Accounting Officer/CFO/Director Strategic Support Services
<b>Sep-20</b>	Continual review & integration of new information from adopted/reviewed Sector Plans into the IDP document			BVM Management/IDP & PMS Unit
	Compile/review ward-based plans to identify ward priorities			Community Development Unit/ IDP & PMS Unit
	Review and update IDP Vision, Mission and Objectives			IDP & PMS Unit
	Submission of proposed amendment(s) of Strategic Objectives (where applicable, and based on preceding reviews) to Council for consideration/approval			Council/IDP & PMS Unit
	Review of provincial and national government sector and strategic plans		MFMA S35, 36, MTBPS	IDP & PMS Unit
	Align IDP with provincial and national sector specific programmes (schools, libraries, clinics, water, electricity, roads, etc.)		MFMA S35, 36, MTBPS	IDP & PMS Unit
	Audit of performance measures			AG

## CHAPTER 1: MUNICIPAL OVERVIEW

MONTH	ACTIVITIES	DUE DATE	LEGISLATION	RESPONSIBLE PERSON/STRUCTURE
	Assess municipal performance and identify where changes are needed for next 3 years [incorporate community inputs]			IDP & PMS Unit
	Review the municipality's performance management system (PMS)		MPPR Reg. 14	Internal Audit/IDP & PMS Unit
	Review the measures and annual performance targets			IDP & PMS Unit
	Send reminder to BVM Management to submit their performance inputs for the 2020/21 Q1 SDBIP Performance Report			IDP & PMS Unit
	Conduct final 2019/20 S57 Managers' Performance Assessments			Executive Mayor/Executive Management/IDP & PMS Unit
<b>STRATEGIES</b>				
	Integration of information from reviewed provincial and national sector plans into the IDP Review document			IDP & PMS Unit
	Update and review the strategic elements of the IDP			IDP & PMS Unit
	IDP Steering Committee Meeting			IDP & PMS Unit
	Discuss potential price increases of bulk resources with sector departments		MFMA S35, 36, 42; MTBPS	Accounting Officer/CFO
<b>Oct-20</b>	Determine revenue projections and proposed rates and service charges	Oct 2020		CFO/Budget Steering Committee/Budget & Costing Unit
	Drafts initial allocations to functions and departments for the next financial year based on strategic objectives	Oct 2020		CFO/Budget & Costing Unit
	Engagement with sector departments, share and evaluate plans, national policies, MTBPS			CFO/Financial Planning Unit
	Incorporate initial changes into IDP			IDP & PMS Unit

## CHAPTER 1: MUNICIPAL OVERVIEW

MONTH	ACTIVITIES	DUE DATE	LEGISLATION	RESPONSIBLE PERSON/STRUCTURE
	Submission of 2020/21 Q1 performance inputs by BVM Management			Executive Management/BVM Management/IDP & PMS Unit
	Tabling & submission of Q1 SDBIP Performance Report (for first quarter of 2020/21) to Council & stakeholders		MSA S41 (1)(e); MFMA S52 (d); MPPR Reg. 14	Director Strategic Support Services/IDP & PMS Unit
	S57 Managers' quarterly <b>informal</b> assessments (for first quarter of 2020/2021)			Executive Management/BVM Management/IDP & PMS Unit
	Send out requests to Executive Management/BVM Management for the updating of their respective IDP chapters/templates that require revision for the 2021/22 review			IDP & PMS Unit
	Conduct public participation sessions (engagements with ward committees) throughout all wards (the sessions			Executive Management/BVM Management/IDP & PMS Unit
<b>PROJECTS PHASE</b>				
	Continuation of public participation sessions (engagements with ward committees) throughout all wards			Executive Management/BVM Management/IDP & PMS Unit
	Review of Municipal Strategies, Objectives, KPA's, KPI's and targets			Executive Management/IDP & PMS Unit
	Identification of priority IDP projects based on ward committee inputs			Executive Management/IDP & PMS Unit
<b>Nov-20</b>	Reviews and initial changes are drafted into IDP		MSA S34	IDP & PMS Unit
	Accounting officer and senior officials consolidate and prepare proposed budget and plans for next financial year taking into account previous year's performance as per audited financial statements	Nov 2020		Executive Management/Budget Steering Committee

## CHAPTER 1: MUNICIPAL OVERVIEW

MONTH	ACTIVITIES	DUE DATE	LEGISLATION	RESPONSIBLE PERSON/STRUCTURE
	Identify new CAPEX/OPEX projects and programmes emanating from IDP & Budget engagements	Nov 2020		Executive Management/IDP Steering Committee/Budget & Costing Unit/IDP & PMS Unit
	Auditor-General returns audit report by 30 November 2020		MFMA S126(4)	AG/Accounting Officer
	Review performance of service providers as per the approved policy			Executive Management/BVM Management
	Nov 2020 – Jan 2021 Populating all Public Participation inputs and distribute to relevant stakeholders or municipalities (capture the input accordingly).			IDP & PMS Unit
<b>Dec-20</b>	Mayor tables the draft 2019/20 Annual Report in Council (last week of November or first week of December)		MFMA S127(2)	Executive Mayor/Accounting Officer/IDP & PMS Unit
	The draft 2019/20 Annual Report is referred to MPAC for commencement of the oversight process		MFMA S129	Enterprise Risk Management Unit/ IDP & PMS Unit
	Submit the draft 2019/20 Annual Report to National Government, Provincial Government & the AG) and publish it on local media platforms, calling for community inputs/representations thereon.		MFMA S127 & MSA S21a	IDP & PMS Unit
	Departments to comment on the reviewed Municipal Strategies, Objectives, KPA's, KPI's and targets			Executive Management/BVM Management
	Review & refinement of priority IDP projects			IDP & PMS Unit
	Council finalises tariff policies for next financial year		MSA S74, 75	Executive Mayor/CFO
	Inputs from Departments for Adjustment Budget	20-Dec		Executive Management/Budget Steering Committee/Budget & Costing Unit

## CHAPTER 1: MUNICIPAL OVERVIEW

MONTH	ACTIVITIES	DUE DATE	LEGISLATION	RESPONSIBLE PERSON/STRUCTURE
	Start preparation for Mid-year review and performance assessment			IDP & PMS Unit
	Finalise the review and update of recommendations contained in LG-MTEC reports and IDP Analysis Reports	20-Dec		IDP & PMS Unit
	Send reminder to BVM Management to submit their performance inputs for the 2020/21 Q2 SDBIP Performance Report		MSA S41 (1)(e); MFMA S52 (d)	IDP & PMS Unit
<b>Jan-21</b>	Review of Municipal Strategies, Objectives, KPA's, KPI's and targets in strategic planning session with senior management			IDP & PMS Unit
	Review & refinement of priority IDP projects			IDP & PMS Unit
	IDP Steering Committee Meeting			IDP & PMS Unit
	Submission of 2020/21 Q2 performance inputs by BVM Management			Executive Management/BVM Management/IDP & PMS Unit
	Tabling & submission of Q2 SDBIP & Financial Performance Report – Section 72 (for second quarter of 2020/21) to Council & stakeholders		MSA S41 (1)(e); MFMA S52 (d); MPPR Reg. 14	Accounting Officer/CFO/Director Strategic Support Services/Financial Planning Unit/IDP & PMS Unit
	Table the final 2019/20 Annual Report & Oversight Report in Council, for Council's consideration & adoption/approval		MFMA S121, S127 & S129	IDP & PMS Unit
	Council considers the 2019/20 Oversight Report and adopts/approves the 2019/20 Annual Report			Council/IDP & PMS Unit
	Publicise the final 2019/20 Annual & Oversight Report and submit it to the National (NT) and Provincial (PT & DLG) Government as well as the AG		MFMA S127, 129 & 132; MSA S21A	IDP & PMS Unit
<b>Feb-21</b>	Continuous Review of Municipal Strategies,			IDP & PMS Unit



## CHAPTER 1: MUNICIPAL OVERVIEW

MONTH	ACTIVITIES	DUE DATE	LEGISLATION	RESPONSIBLE PERSON/STRUCTURE
	Objectives, KPA's, KPI's and targets			
	Continuous identification/review of priority IDP projects			Executive Management / BVM Management / IDP & PMS Unit
	Project alignment between Province, CWDM and BVM			IDP & PMS Unit
	Assess the municipality's service delivery performance and the service delivery targets and performance indicators set in the SDBIP and amend if necessary			Executive Management/BVM Management/ IDP & PMS Unit
	Assess the past year's annual report, and progress on resolving issues identified in the annual report			Executive Management/BVM Management/ IDP & PMS Unit
	Accounting Officer finalises and submits to Mayor proposed budgets and plans for next three-years, taking into account the recent mid-year review and any corrective measures proposed as part of the oversight report for the previous years audited financial statements and annual report			Accounting Officer/CFO/Budget & Costing Unit
	Prepare Adjustment Budget	21-Feb		CFO/Budget & Costing Unit
	Table Adjustment Budget before Council	44248	MFMA S28(2) b,d,f	Executive Mayor
	S57 Manager's <b>formal</b> quarterly assessments (for second quarter of 2020/2021)			MM/IDP & PMS Unit
	Draft SDBIP's for 2021/2022 developed and for incorporation into draft IDP 2021/2022 FY			IDP & PMS Unit
	Accounting officer reviews proposed national and provincial allocations to municipality for incorporation into the draft budget for tabling	21-Feb	MFMA S36	CFO/Manager Budget & Costing
<b>INTEGRATION/REFINEMENT PHASE</b>				

## CHAPTER 1: MUNICIPAL OVERVIEW

MONTH	ACTIVITIES	DUE DATE	LEGISLATION	RESPONSIBLE PERSON/STRUCTURE
<b>Mar-21</b>	Submit approved Adjustment Budget to NT, PT and Public	10 Working days after approval		Budget & Costing Unit
	Commence with the compilation of the 2021/22 SDBIP & S57 Performance Agreements			Executive Management/BVM Management/IDP & PMS Unit
	Conclusion of the draft Municipal Strategies/Sector Plans, Objectives, KPA's, and KPI's and targets for inclusion in the draft IDP & Budget			IDP & PMS Unit
	IDP Steering Committee Meeting			IDP & PMS Unit
	Mayor tables the draft 2021/22 Budget and proposed revisions to IDP, at least 90 days before start of budget year, to Council for consideration	21-Mar	MFMA S16, 22, 23, 87; MSA S 34	Executive Mayor/Executive Management/
	Submit 1 <sup>st</sup> draft 2021/22 SDBIP to Council			IDP & PMS Unit
	Send reminder to BVM Management to submit their performance inputs for the 2020/21 Q3 SDBIP Performance Report		MSA S41 (1)(e); MFMA S52 (d)	IDP & PMS Unit
	Set performance objectives for revenue for each budget vote		MFMA S 17	CFO/Revenue Unit
<b>Apr-21</b>	Publicise draft IDP and Budget and invite local community to make written comments in respect of the IDP and Budget	Immediately after Tabling before Council	MFMA S22 & MSA S21A	Accounting Officer/CFO/Director Strategic Support Services/Budget & Costing Unit/IDP & PMS Unit
	Accounting officer publishes tabled budget, plans, and proposed revisions to IDP and submits to NT, PT and others as prescribed	Immediately after Tabling before Council	MFMA S22 & MSA S21A	Accounting Officer/CFO/Director Strategic Support Services/Budget & Costing Unit/IDP & PMS Unit
	Review written comments in respect of the Budget and IDP	21-Apr	Best Practice	Executive Management/Budget & Costing Unit/IDP & PMS Unit
	Finalisation of the Municipal Strategies/Sector Plans, Objectives, KPA's, and KPI's and targets for			IDP & PMS Unit

## CHAPTER 1: MUNICIPAL OVERVIEW

MONTH	ACTIVITIES	DUE DATE	LEGISLATION	RESPONSIBLE PERSON/STRUCTURE
	inclusion in the final IDP & Budget			
	IDP Steering Committee Meeting			IDP & PMS Unit
	Public participation process launched through series of public meetings on the IDP and Budget			IDP & PMS Unit
	Review/finalisation of community inputs on the draft IDP & Budget			IDP Steering Committee/EXECMAN/BVM Management/IDP & PMS Unit
	District/Local Municipalities' Alignment of Strategies			IDP & PMS Unit
	Prepare departmental business plans linked to the IDP strategies, objectives, KPI's and targets			IDP & PMS Unit
	Accounting officer assists the Mayor in revising budget documentation in accordance with consultative processes and taking into account the results from the third quarterly review of the current year	44316	MFMA S21	CFO
	Public meetings on the draft IDP & Budget, Council debate/consideration of community input on Budget and Plans.			MM/IDP/CFO
	Submission of 2020/21 Q3 performance inputs by BVM Management			Executive Management/BVM Management/IDP & PMS Unit
	Tabling & submission of Q3 SDBIP Performance Report (for third quarter of 2020/21) to Council & stakeholders		MSA S41 (1)(e); MFMA S52 (d); MPPR Reg. 14	Director Strategic Support Services/IDP & PMS Unit
	Refinement & finalisation of Municipal Strategies/Plans, Objectives, KPA's, KPI's and targets and inclusion			IDP & PMS Unit

## CHAPTER 1: MUNICIPAL OVERVIEW

MONTH	ACTIVITIES	DUE DATE	LEGISLATION	RESPONSIBLE PERSON/STRUCTURE
	into 2020/21 IDP Review report			
	S57 Managers' <b>informal</b> quarterly assessments (for third quarter of 2020/21)			Executive Management/BVM Management/IDP & PMS Unit
	Review annual organisational performance targets		MPPR Reg. 11	MM/IDP & PMS Unit
<b>APPROVAL PHASE</b>				
<b>May-21</b>	Accounting officer assists the Mayor in preparing the final IDP & Budget documentation for Council's consideration & approval at least 30 days before the start of the new fiscal year taking into account consultative processes and any other new information	44337	MFMA S23	Executive Management/Executive Mayor/Council
	Convene IDP Representative Forum			IDP & PMS Unit
	EXCO recommends adoption of the IDP to Council			Council/Executive Management/IDP & PMS Unit
	Council to consider approval/adoption of the IDP, Budget and all other associated documentation as legislatively prescribed (e.g. sectoral plans, taxes and tariffs, budget related policies, etc.) at least 30 days before start of budget year	31-May-21	MFMA S23, 24; MSA Ch 4	CFO/Council
	Publish the IDP, Budget and all other associated documentation as legislatively prescribed on the municipal website	Within 5 days of adoption	MFMA S75; MSA S21A	Budget & Costing Unit/IDP & PMS Unit
	Consider community input into the municipality's SDBIP (KPIs and targets)			IDP & PMS Unit
<b>Jun-21</b>	Submission of the approved Budget, IDP & other associated documentation as legislatively prescribed to National (NT) & Provincial	Within 10 working days after Council approval	MBRR 20	Accounting Officer/CFO/Director SSS/Budget & Costing Unit/IDP & PMS Unit

## CHAPTER 1: MUNICIPAL OVERVIEW

MONTH	ACTIVITIES	DUE DATE	LEGISLATION	RESPONSIBLE PERSON/STRUCTURE
	Government (PT, DLG & DEADP)			
	Give notice to the public of the adoption of the IDP, Budget and other associated documentation as legislatively prescribed	Within 10 working days after Council approval	MSA S21A; MSA S25 (4)(a); MBRR 18	Accounting Officer/CFO/Director SSS/Budget & Costing Unit/IDP & PMS Unit
	Submission of 2 <sup>nd</sup> (final) draft SDBIP & S57 Performance Agreements to the Executive Mayor, no later than 14 days after the approval of the Budget		MFMA S69(3)	Executive Mayor/Executive Management/IDP PMS Unit
	Conclusion & submission of the final TL SDBIP to the Executive Mayor for approval within 28 days after approval of the budget; coupled with the finalisation and conclusion of the annual S57 Performance Agreements by no later than 30 days after commencement of the new financial year (note: the S57 Performance Agreements will be concluded & published in July should it not be finalised within June)		MFMA S53; MSA S 38-45, 57(2)	Executive Mayor/Executive Management/IDP & PMS Unit
	Publication of approved SDBIP & S57 Performance Agreements on the municipal website/social media/local media & circulation thereof to National Government (NT) and Provincial Government (PT & DLG – MEC for Local Government)		MFMA S53(3); MBRR 19	IDP & PMS Unit
	Send reminder to BVM Management to submit their performance inputs for the 2020/21 Q4 SDBIP Performance Report		MSA S41 (1)(e); MFMA S52 (d)	IDP & PMS Unit
<b>INTERGOVERNMENTAL ALIGNMENT</b>				
<b>Dis tric t/P rov inci al Ali</b>	<b>Municipal First Quarter</b>	<b>7/1/2020</b>	<b>9/30/2020</b>	

## CHAPTER 1: MUNICIPAL OVERVIEW

MONTH	ACTIVITIES	DUE DATE	LEGISLATION	RESPONSIBLE PERSON/STRUCTURE
	District IDP Managers Forum	September 2020 (TBC)		Manager: IDP
	Provincial IDP Managers Forum	September 2020 (TBC)		DLG: IDP Directorate
	JDA Interface Team Engagement	TBC		Provincial Team/CWDM/Manager: IDP
	<b>Municipal Second Quarter</b>	<b>10/1/2020</b>	<b>12/31/2020</b>	
	Strategic Integrated Municipal Engagement (SIME)	20-Nov		Provincial Government & Municipalities
	District IDP Managers Forum	November 2020 (TBC)		Manager: IDP
	Provincial IDP Managers Forum	November 2020 (TBC)		DLG: IDP Directorate
	JDA Interface Team Engagement	TBC		Provincial Team/CWDM/Manager: IDP
	<b>Municipal Third Quarter</b>	<b>1/1/2021</b>	<b>3/31/2021</b>	
	Mid-year budget and performance assessment visits	1/1/2021	3/31/2021	Provincial Treasury
	Technical Integrated Municipal Engagement (TIME) / MGRO	21-Feb		PT/DLG/MM's/CFO's
	IDP Indaba	2/21/2021		Provincial Departments & Municipalities
	District IDP Managers Forum	February 2021 (TBC)		Manager: IDP
	Provincial IDP Managers Forum	TBC		DLG: IDP Directorate
	JDA Interface Team Engagement	TBC		Provincial Team/CWDM/Manager: IDP
	<b>Municipal Fourth Quarter</b>	<b>4/1/2021</b>	<b>6/30/2021</b>	
	IDP, Budget and Benchmark Assessments	4/1/2021	5/31/2021	Provincial Departments & Municipalities
	District IDP Managers Forum	April & June 2021 (TBC)		Manager: IDP
	Provincial IDP Managers Forum	1 <sup>st</sup> week in June 2021		DLG: IDP Directorate
	JDA Interface Team Engagement	TBC		Provincial Team/CWDM/Manager: IDP



## CHAPTER 1: MUNICIPAL OVERVIEW

*Table 19- Key activities linked to the 2021/22 IDP & Budget planning cycle, and 2020/21 PMS implementation cycle*

Council should note that these are planned activities earmarked for implementation throughout the 2020/21 financial year, in relation to the compilation and finalisation of the 2021/22 IDP and Budget and the 2020/21 financial- & performance reporting cycle respectively. By approving the Time Schedule, Council confers authority to the Executive Mayor to alter the Time Schedule to comply with legislative prescripts, binding deadlines and changing/unforeseen/urgent circumstances that may become applicable throughout the process.

### 1.8 COVID - 19

During the period under review, the COVID-19 (SARS-CoV-2) pandemic continued to spread at rapid rates throughout country. The pandemic significantly impacted and altered the external environments and intensified the complexity within the local government sphere (amongst others). The actual impact became more apparent as statistical data and information, relating to the pandemic, became available. Although mortality rates were relatively low in comparison to the recovery rate, socio-economic livelihoods and well-being coupled with mental- and physical health was severely impacted. As a result, Government’s prevention-, recovery- and mitigation strategies had to be balanced from a virological as well as socio-economic perspective. The table below depicts key COVID-19 trends within South Africa during the period under review. More detail hereon, can be accessed via the Department of Health’s COVID-19 resource portal and the National Institute for Communicable Diseases website.

<b>COVID-19 Summary of Key Trends</b>	
<b>Quarter</b>	<b>Description</b>
Quarter 1 (July – September 2020)	The first wave of COVID-19 infections remained prevalent upon commencement of the financial period. Subsequently, alert-level 3 COVID-19 lockdown regulations applied, which predominantly permitted economic and business activity but subject to strict precautions. In addition, public gatherings and related activities conducive for public gatherings and movement were prohibited to mitigate the risk of mass infections. The Cape Winelands District was (amongst others) flagged as a hotspot area. The first wave of infections peaked in mid-July 2020, after which a steady decline in active cases ensued. Subsequently, more lenient alert levels (alert level 2 on 18 August 2020 and alert level 1 on 21 September 2020) were declared, providing more lenience towards socio-economic activity in sectors/industries that were classified as higher risk areas. Basic COVID-19 precautions (i.e. regular sanitisation, wearing of a face mask and active social-distancing) remained imperative to enforce in order to prevent a resurgence in infections
Quarter 2 (October – December 2020)	During mid-November 2020, a resurgence in COVID-19 cases were recorded. The resurgence was predominantly driven by a new variant known as the SARS-CoV-2 501Y.V2 (Beta-variant). On 9 December 2020, the then Minister of Health officially announced the second wave of COVID-19 infections. As this wave coincided with the approaching festive period, concerns of potential super spreader events increased. On 29 December 2020, adjusted alert level 3 COVID-19 restrictions were declared to mitigate a potential spike in transmissions (public gatherings, excessive movement and any associated actions that could lead to- or encourage the former was strictly regulated and/or prohibited). South Africa subscribed to the COVAX facility and, through this affiliation, embarked on negotiations to receive its first batch of vaccines (anticipated delivery - Q2 of 2021). The Department of Health reassured the public that all possible means of vaccination roll-out and access would be considered, guided

## CHAPTER 1: MUNICIPAL OVERVIEW

COVID-19 Summary of Key Trends	
Quarter	Description
	by the principles of cost effectiveness, safety, efficacy and quality. In addition, no vaccinations would be permitted and/or administered without the South African Health Products Regulatory Authority's consent and endorsement of the criteria mentioned
Quarter 3 (January – March 2021)	Strongly driven by the Beta-variant, the second wave of COVID-19 infections peaked in the mid-January 2021. Adjusted alert level 3 restrictions remained in effect to restrict transmissions as far as possible. The mitigation and prevention initiatives were boosted upon arrival of the first batch of vaccines, which subsequently triggered phase one of the vaccine roll-out strategy. The programme commenced on 17 February 2021, by means of the Sisonke Trial in which Johnson & Johnson donated 500 000 of its single-dose vaccines to South Africa to accelerate vaccination of frontline healthcare workers. This programme yielded a total of 479 768 inoculations within the healthcare sector and concluded in mid-May 2021. Through these combined initiatives, lockdown regulations were relaxed to adjusted alert level 1 as from 1 March 2021
Quarter 4 (April – June 2021)	Phase two of the vaccination roll-out strategy commenced on 17 May 2021. During this phase, healthcare workers who were not vaccinated in phase 1A, were vaccinated under phase 1B (a part of phase 2). In addition, phase 2 earmarked to inoculate 6 million adults over the age of 60 as well as educators. Upon the commencement of June 2021, a resurgence in COVID-19 infections were recorded, subsequently triggering the third wave of infections on 10 June 2021. In addition, a new variant (i.e. Delta-variant) was identified as the primary reason for the resurgence. This variant was responsible for the devastating second wave experienced in India, and was found to have higher transmissibility traits. The World Health Organisation subsequently issued a warning stating that similar effects could be experienced in South Africa (amongst others), which contributed to the decision to introduce adjusted alert level 3 and 4 lockdown restrictions on 16 June and 28 June 2021 respectively. Although the newly declared regulations introduced stricter limitations on public gatherings, movement and associated activities/events, the vaccination roll-out programme remained priority. As at 30 June 2021, a total of 3 026 636 inoculations were recorded

*Table 20- COVID-19 Summary of Key Trends*

The table above, provides a brief overview of the key trends linked to the COVID-19 pandemic, all of which had a major impact on municipalities. Although these events exacerbated the complexity of the local government sphere, municipalities (BVM in particular) did their utmost best underpin socio-economic equilibrium within societies, whilst acting in solidarity towards the national COVID-19 response initiatives. The information presented below, provides insights on the pandemic's footprint within BVM and a brief synopsis of measures introduced as stated.

### 1.8.1 COVID-19: Statistical information

The table below indicates the documented statistical information for COVID-19 within the Breede Valley municipal area. It provides a cumulative view of the number of active cases, recoveries and deaths as at 30 June 2021 (information provided by the Department of Health – BVM JOC engagement 30 June 2021) as well as the comparative figures as reported on 29 June 2020.

## CHAPTER 1: MUNICIPAL OVERVIEW

Description	Number	
	29 June 2020	30 June 2021
Active Cases	596	406
Recoveries	830	9 017
Deaths	29	442
<b>Total Cases</b>	<b>1 455</b>	<b>9 865</b>

*Table 21- COVID-19 Statistics within BVM Locality*

The table below, depicts the COVID-19 statistical information recorded within the BVM as at 30 June 2021:

Number of Cases (Officials)	Number of Cases (Councillors)	Total Cases	Age Distribution	Number of Males	Number of Females	Number of Recoveries	Number of Deaths
			<35 = 35-50 = 51-60 = >60 =				
149	0	149	<35 = <b>28</b> ; 35-50 = <b>79</b> ; 51-60 = <b>38</b> ; >60 = <b>4</b>	87	62	139	4

*Table 22- COVID-19 Statistics within BVM*

### 1.8.2 COVID-19: Joint Operations Committee:

The Breede Valley COVID-19 Joint Operations Committee (JOC) continued to operate throughout the pandemic. The core mandate remained to formulate, implement and report on activities / actions that underpin a collaborative response to COVID-19 within the municipal area.

The table below indicates the various role players that serve on the BVM JOC, and also elaborates on the primary role occupied:

Department / Organisation	Role
<b>BVM (various directorates &amp; departments)</b>	Responsible for arranging, facilitating and providing secretariat services during JOC engagements. In addition, municipal departments provide feedback on municipal & support services rendered to constituencies, particularly the most vulnerable within society, as a means of mitigating pressures associated with the pandemic. All municipal directorates serve on the JOC
<b>CWDM Environmental Health</b>	Responsible for providing report updates on municipal health services (MHS) within the Breede Valley Municipality, such as monitoring of the client service experience, managing complaints, enabling responsive client services and have infrastructure to communicate internally and externally. The District Environmental Health office also conducts occupational, health and

## CHAPTER 1: MUNICIPAL OVERVIEW

Department / Organisation	Role
	safety inspections at various locations, businesses, NGO's.
<b>Department of Health</b>	The Department of Health occupies an essential role in the context of the JOC, as the department provides statistical information and feedback on the level of spread, the impact thereof and the degree of containment & medical support services rendered within the local context primarily, but also from a national and global perspective. The feedback and input provided by the department serves as point of departure towards formulating and implementing collaborative response initiatives.
<b>Department of Education</b>	Responsible for providing feedback on support mechanisms implemented at local public schools in terms of the reopening of schools in accordance with the phased approach, provision of PPE and sanitary items as well as the adjusted school calendar/programme linked to the current academic year. The Department further provide regular updates on the school feeding scheme rolled-out throughout the municipal area.
<b>Department of Social Development</b>	Responsible for providing feedback linked to humanitarian relief mechanisms implemented throughout the locality. Particular reference is made to the distribution of food parcels (during initial hard-lockdown) and support provided in terms of the unification of vagrants with their families (amongst others).

*Table 23- Roleplayers of the BVM JOC*

### 1.8.3 COVID – 19: Communication/Awareness

The Municipality, in collaboration with various government departments and stakeholders, continued to prioritise regular communication and awareness linked to the COVID-19 pandemic, as a means of encouraging proactive prevention mechanisms and ultimately mitigating the spread of the virus. On this premise, the municipality provided support in the following manner:

Community Awareness Campaigns – BVM (in collaboration with government departments) embarked on regular community awareness campaigns to inform communities of the threat(s) presented by COVID-19, coupled with sensitisation on preventative mechanism. The municipality particularly assisted the Department of Health during community screening and testing outreaches

Frequent COVID-19 publications – BVM published, circulated and distributed various COVID-19 related publications (e.g. pamphlets, placards and posters, notices & regulations, COVID-19 statistics and information, etc.) on various municipal platforms (e.g. social media pages & website) and at various municipal buildings (print). Strong emphasis was placed on communicating the vaccination campaign/roll-out strategy which occurred in the latter part of the period under review.

## CHAPTER 1: MUNICIPAL OVERVIEW

### 1.8.4 COVID-19: Vaccination Roll-out Strategy

In the spirit of good inter-governmental relations, BVM occupied its role in supporting government's vaccination roll-out strategy. The Department of Health (Cape Winelands Office), via the BVM JOC, occupied a critical role in planning and facilitating the strategy at local level. Through mutual engagements and collaboration, the municipality dedicated the Worcester Town Hall as central vaccination site within the locality. In addition, an administrative team (EPWP) was registered to assist with logistical and administrative duties during the implementation of the vaccination campaign. Public accolades were bestowed on members of the team for the manner in which they conducted their service, particularly the level of patience and care portrayed during the inoculation of persons within the category 60 years and older. In addition, the municipality increased its support during vaccination awareness, education and information campaigns (in collaboration with the DoH) in order to ensure that factual information was presented to communities to encourage informed decisions-making. The collaborative effort in this regard, culminated in 6 516 inoculations within the Breede Valley, of which 4 476 were administered at the Worcester Town Hall. Continuous collaboration and support has been committed beyond the period under review.

### 1.8.5 Action plan to address the COVID-19 associated risks

The table below provide the actions implemented to address the COVID-19 associated risks:

Risk	Action implementation
Misuse and manipulation of the Occupational Health and Safety leave procedures	Introduction of special leave types in relation to COVID-19 (i.e. work-from-home leave, quarantine leave, isolation leave) and regular monitoring hereof by supervisors & management
COVID-19 procurement irregularities & non-compliance with supply chain management procedures	<ul style="list-style-type: none"> <li>• Procurement to be conducted in accordance with the approved SCM Policy and all NT guidelines/circulars/regulations issued in terms of COVID-19 procurement</li> <li>• Enhanced monitoring, evaluation and reporting on municipal procurement, particularly relating to COVID-19 procurement (i.e. PPE, sanitary inventory, etc.)</li> </ul>
Inadequate or documented business continuity management procedures to ensure a safe work environment	<ul style="list-style-type: none"> <li>• Compilation of departmental COVID-19 risk assessment plans &amp; workplace readiness plans</li> <li>• Implementation of COVID-19 work plans &amp; monitoring thereof</li> </ul>
COVID-19 infections in the workplace	<ul style="list-style-type: none"> <li>• Implementation of Individual Health Risk Assessments conducted with staff members</li> <li>• Implementation of COVID-19 recommended controls as per the individual health risk assessment checklist from the Department of Health</li> <li>• Issuing of PPE (e.g. face masks) and sanitiser to staff</li> <li>• Regular cleaning and sanitising of workspaces</li> </ul>
Non-payments from consumers, which will have a negative impact on the cashflow, sustainability and to pay expenditure such as salaries, creditors and essential services of the Municipality	<ul style="list-style-type: none"> <li>• Implementation of the Credit Control Policy in a strict yet dignified manner</li> <li>• Implementation of budgetary controls, relating to the following but not limited:</li> </ul>

## CHAPTER 1: MUNICIPAL OVERVIEW

Risk	Action implementation
	<ul style="list-style-type: none"> <li>○ Accounting Officer and CFO provides approval for expenditures (based on emergency) as highest level to assess cashflow;</li> <li>○ Restriction on filling of vacancies (specifically non-essential)</li> <li>● Compilation of budget to be more realistic relating COVID-19 economic impact</li> </ul>

*Table 24- Action plan to address the COVID-19 associated risks*

### 1.8.6 COVID-19: Challenges

This pandemic, coupled with the subsequent measures implemented to mitigate it, continues to exert significant pressure on the vulnerable socio-economic landscape throughout all facets of society. In addition, it poses a significant threat to the financial sustainability of municipalities. BVM is not immune to these pressures, and have noted the following direct and indirect developmental challenges emanating from the pandemic, within its context:

Perspective	Challenge	Corrective action
Municipal Sustainability Perspective	Disruption in municipal operations & processes	Technological measures/platforms were pursued to ensure that employees were able to conduct business virtually. BVM ITC played an integral part in providing access to the municipal VPN and platforms such as Microsoft Teams. Through this, municipal operations, particularly from a strategic support perspective, could continue with some extent of normality. Health and safety measures were also devised and implemented to ensure that essential services continued uninterrupted
	Increased possibility of redundancy within certain organizational positions	Temporary restructuring arrangements were made to identify positions that may have become redundant as a result of the COVID-19 pandemic. In such instances, the applicable employees occupying such positions were reassigned to departments (experiencing capacity shortages) based on their skillset, knowledge and/or expertise. Not only did this enable continuity within certain critical departments, but also granted employees the opportunity to broaden their work exposure
	Reduction in demand for- and usage of trading services (i.e. water & electricity usage), particularly from	Various internal financial principles were set to underpin the immediate and future financial sustainability of



## CHAPTER 1: MUNICIPAL OVERVIEW

Perspective	Challenge	Corrective action
	<p>bigger industrial and corporate clients</p> <p>Decline in economic activity with limited revenue generation capabilities by the private sector, that will adversely impact municipal revenue generation and collection</p> <p>Individual households are faced with an increased risk of being unable to honour municipal accounts due to economic inactivity and temporary/permanent job lay-offs</p> <p>Anticipated increase in the municipal debt portfolio due to an increased inability to pay municipal accounts, coupled with a possible increase in the municipal indigent portfolio</p> <p>A subsequent decline in municipal revenue projections, coupled with an anticipated drop in the debt collection rate to 65% and ultimately lower cashflow. This is a major threat to the financial sustainability of the municipality as it generates approximately 85% of its revenue internally, while 15% is obtained from national and provincial government grants</p> <p>Service-delivery expectations will continue to rise (particularly during this time of crisis), which requires meticulous expenditure planning and resource allocation</p> <p>A lack of comprehensive socio-economic data relating to this crisis, which influences the ability to make accurate projections and informed decisions (as data becomes available, the municipality must revisit and review its status quo)</p>	<p>the municipality. These comprised of (amongst others) the identification and implementation of innovative revenue enhancement strategies, limiting all non-essential expenditure items, enhanced utilization of technology and technological platforms to reduce costs, utilization of current staff instead of contractors as far practically possible and temporarily postponing the filling of non-essential vacancies. These measures enabled the municipality to ultimately realise a payment percentage of 95% during the period under review, as opposed to an anticipated collection rate of 65% - 85%. These proactive response mechanisms enabled the municipality to emphasise basic and essential service delivery, systematically reintroduce critical capital projects and fill critical vacancies to ensure maximum value add within the execution of its core mandate. COVID-19 has however severely disrupted municipal operations and, in many cases, exacerbated backlogs. This municipality duly recognizes this reality and remains committed to ensure that it continuously builds and improves on the services rendered to constituents</p> <p>An internal innovation committee; tasked with the responsibility of reviewing current municipal operations, and investigating innovative initiatives and/or solutions that, from a municipal perspective, will contribute towards shaping a resilient and sustainable post COVID-19 society; has been established. In addition, the municipality (through its LED department) participated in economic recovery initiatives and discussions</p>
Health Perspective	<p>Anticipated rapid and continual increase of positive cases within the locality</p>	<p>Regular communication initiatives rolled-out across various municipal platforms to raise continuous awareness of the risks linked to a rapid spike of infections at a localised level, coupled with measures to</p>

## CHAPTER 1: MUNICIPAL OVERVIEW

Perspective	Challenge	Corrective action
		safeguard against such an occurrence. In addition, regular law enforcement and sanitisation of hotspot areas (amongst others) were prioritised to ensure minimum exposure and transmissions
	Added strain on scarce medical facilities and resources	Proactively responding to COVID-19 in collaboration with various "front-line" government departments (i.e. added law enforcement initiatives to enforce social distancing regulations and aid in community education initiatives, availing the Nekkies Resort as temporary quarantine facility for potential COVID-19 persons of interest, partnering with and supporting the "Nuwe-Begin" Shelter to provide refuge relief for the destitute, partnering in community education and extensive communication initiatives to drive awareness, and regular sanitisation of public hotspot areas such as communal taxi ranks, and finally, continuous prioritization of rendering quality basic and essential services with a particular emphasis on the installation of water tanks to ensure access to water in vulnerable areas)
	Increased risk of possible mortalities, particularly individuals classified in the high-risk category with one or several underlying comorbidities	
	Significant risks posed towards the mental health and well-being of society, that can have devastating consequences on the social as well as economic perspective of society	
Socio-Economic Perspective	Major decline in economic activity as many businesses were not permitted to operate and trade during the national lockdown, unless the trade related to essential services and/or products	Supporting the local business sector (particularly SMME's & the Informal Sector) by facilitating access to general business and financial support mechanisms offered by a range of government institutions and funding agencies. Specialised business support (in collaboration with DEDAT and WESGRO) was provided to two large corporations in the Breede Valley Municipal area, in order to advise on a post-COVID recovery strategy to prevent possible liquidation and loss of jobs
	Significant spikes in anticipated unemployment levels that can exacerbated poverty and alter the local vulnerability landscape	Supporting various humanitarian relief mechanisms in collaboration with various government departments (i.e. Mayoral Support Programme relating to the procurement and distribution of non-perishable food items; delivery of essential material supplies and items to the "Nuwe Begin" shelter; and

## CHAPTER 1: MUNICIPAL OVERVIEW

Perspective	Challenge	Corrective action
		financial contributions to NGO's and soup kitchens to underpin their social feeding initiatives delivered to the most vulnerable in society)

*Table 25- COVID-19 Challenges*

The information presented above, by no means represent a comprehensive list of the challenges nor initiatives implemented to minimise the impact of COVID-19 within the context of BVM. This pandemic is synonymous with the VUCA principle (volatility, uncertainty, complexity and ambiguity) and will require continuous adaptation from government and all spheres and sectors of civil and business society. Resource scarcity and limitations further threaten the sustainability of post-COVID recovery initiatives. Yet, it presents an opportunity to reconfigure and rebuild our society, business and operations. Therefore, a whole of society approach, based on unique and innovative responses, is required in implementing recovery/support/relief initiatives that will positively contribute towards a sustainable and resilient Breede Valley post COVID-19. The municipality recognizes and commends those initiatives taken by various individuals, business- and civil organisations in the battle against this pandemic. By continuing to exercise social distancing measures, adhering to the prescribed sanitary measures and conveying the spirit of UBUNTU, we shall overcome this pandemic and re-establish ourselves as a thriving civil and business society.



# Chapter 2

## CHAPTER 2: GOVERNANCE

### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

Good governance comprises eight major characteristics: it is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimised, the views of minorities are considered and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.

#### 2.1 POLITICAL GOVERNANCE STRUCTURE

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

##### 2.1.1 Council

The table below categorise the councillors within their specific political parties and wards for the 2020/21 financial year:

Name of councillor	Capacity	Political party	Ward representing or proportional
Ald. A. Steyn	Executive Mayor	DA	Proportional
Cllr. J. Levendal (passed on – 16 September 2020)	Deputy Executive Mayor Member of Mayoral Committee	DA	Proportional
Ald. E. Sheldon (Inaugurated – 27 October 2020)	Deputy Executive Mayor Member of Mayoral Committee	DA	12
Cllr. N. Mercuur	Speaker	DA	Proportional
Ald. S. Goedeman	Chief Whip	DA	19
Cllr. R. Farao	Member of Mayoral Committee	DA	13
Cllr. J. Kritzinger	Member of Mayoral Committee	DA	7
Cllr. E. Matjan	Member of Mayoral Committee (joined on 27 October 2020)	DA	9
Cllr. S. Mei	Member of Mayoral Committee	DA	Proportional
Cllr. W. Meiring	Member of Mayoral Committee	DA	15
Cllr. M. Sampson	Member of Mayoral Committee	DA	11

## CHAPTER 2: GOVERNANCE

Name of councillor	Capacity	Political party	Ward representing or proportional
Cllr. J. Van Zyl	Member of Mayoral Committee	DA	Proportional
Cllr. J. von Willingh	Member of Mayoral Committee	DA	5
Cllr. J. Jack	Councillor	DA	14
Cllr. M. Jacobs	Councillor	DA	10
Cllr. J. Jaftha	Councillor	DA	1
Cllr. A. Pietersen	Councillor	DA	20
Cllr. P. Ramokhabi	Councillor CWDM Representative	DA	Proportional
Cllr. E. van der Westhuizen	Councillor	DA	6
Cllr. F. Vaughan (elected/appointed on 12 October 2020)	Councillor	DA	Proportional
Cllr. W. Vrolick	Councillor CWDM Representative	DA	Proportional
Cllr. T. Wehr	Councillor CWDM Representative	DA	21
Cllr. L. Willemse	Councillor	DA	3
Cllr. M. Bushwana	Councillor CWDM Representative	ANC	Proportional
Cllr. E. Isaacs	Councillor	ANC	4
Cllr. P. Langata	Councillor	ANC	2
Cllr. Z. Mangali	Councillor	ANC	16
Cllr. T. Maridi	Councillor	ANC	Proportional
Cllr. T. McThomas	Councillor	ANC	Proportional
Cllr. S. Mkhwane	Councillor	ANC	18
Cllr. C. Mohobo	Councillor	ANC	Proportional
Cllr. I. Tshabile	Councillor	ANC	Proportional
Ald. P. Tyira	Councillor	ANC	17
Cllr. M. Williams	Councillor	ANC	8
Cllr. N. Williams	Councillor	ANC	Proportional
Ald. C. Ismail	Councillor	BO	Proportional
Cllr. K Benjamin	Councillor	BO	Proportional
Cllr. C. Wilskut	Councillor CWDM Representative	BO	Proportional



## CHAPTER 2: GOVERNANCE

Name of councillor	Capacity	Political party	Ward representing or proportional
Cllr. N. Wullschleger	Councillor	BO	Proportional
Cllr. V. Mngcele	Councillor	EFF	Proportional
Cllr. N. Nel	Councillor	FF+	Proportional
Cllr. J. Robinson	Councillor	PDM	Proportional

Table 26- Council 2020/21

Below is a table which indicates Council meeting attendance for the 2020/21 financial year:

Meeting dates	Number of items submitted	Percentage Council meeting attendance	Percentage apologies for non-attendance
28 July 2020	9	85.7%	14.3%
25 August 2020	5	90.4%	9.6%
29 September 2020	3	85.7%	14.3%
27 October 2020	9	92.8%	7.2%
24 November 2020	1	80.9%	19.1%
26 January 2021	11	88%	12%
23 February 2021	11	97.6%	2.4%
30 March 2021	8	85.7%	14.3%
28 April 2021	15	90.4%	9.6%
25 May 2021	8	95.2%	4.8%

Table 27- Council meetings

### 2.1.2 Executive Mayoral Committee

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

The name and portfolio of each member of the Mayoral Committee is listed in the table below for the period 1 July 2020 to 30 June 2021:

Name of Member	Portfolio Holder
Cllr. R. Farao	Sport & Recreation and Town Planning
Cllr. J. Kritzinger	Local Economic Development; Tourism and Arts & Culture
Cllr. J. Levendal (passed on 16 September 2020)	Special Projects and Community Safety

## CHAPTER 2: GOVERNANCE

Name of Member	Portfolio Holder
Cllr. E. Matjan (appointed on 27 October 2020)	Support to Technical/Engineering Services
Cllr. S. Mei	Community Development
Cllr. W. Meiring	Finance; Human Resources and IDP & PMS
Ald. M. Sampson	Technical/Engineering Services & EPWP
Ald. E. Sheldon	Human Settlement and Housing Development
Cllr. J. Van Zyl	Strategic Support Services
Cllr. J. Von Willingh	Protection Services

*Table 28- Executive mayoral committee 2020/21*

### 2.1.3 Committees

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

- Mayoral Committee meetings, that should occur on the third Tuesday of every month or as determined by the Executive Mayor; and
- Council meetings, that should occur at least four times a year to resolve matters that have not been delegated to officials or Mayoral Committee.

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

Mayoral Committee meetings are chaired by the Executive Mayor and the Deputy Executive Mayor. In addition, nine "portfolio" councillors serve on the Mayoral Committee. BVM does not have portfolio committees, therefore the portfolio councillors on Mayoral Committee are responsible for motivating matters applicable to their respective portfolios. Council meets to discuss and rule on legislative compliance issues (inter alia matters which they cannot delegate such as passing of bylaws, approval of budgets, imposition of rates and other taxes, levies and duties and the raising of loans).

#### **a) Municipal Public Accounts Committee**

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

Name of Member	Departments / Sections / Council	Political Party
Cllr. N. Nel	Councillor; Chairperson	FF+
Cllr. J. Jack	Councillor; Ward 14	DA
Cllr. M. Jacobs	Councillor; Ward 10	DA
Cllr. E. van der Westhuizen	Councillor; Ward 6	DA

## CHAPTER 2: GOVERNANCE

Name of Member	Departments / Sections / Council	Political Party
Cllr. T. Wehr	Councillor; Ward 21	DA
Cllr. L. Willemse	Councillor; Ward 3	DA
Cllr. M. Bushwana	Councillor; PR	ANC
Cllr. C. Wilskut (served on MPAC until April 2021)	Councillor; PR	BO
Cllr. N. Wullschleger (joined in April 2021 - replaced Cllr. C. Wilskut in April 2021, as condoned by Council in terms of Resolution C42/2021)	Councillor; PR	BO
Cllr. V. Mngcele	Councillor; PR	EFF
Cllr. J. Robinson	Councillor; PR	PDM

*Table 29- Municipal Public Accounts Committee*

### 2.1.4 Political decision-taking

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

#### ***Municipal Council***

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

#### ***Executive Mayor***

- Is the executive and political leader of the municipality and is supported in this capacity by the Mayoral Committee;
- is the social and ceremonial head of the municipality;
- must identify the needs of the municipality and must evaluate progress against key performance indicators;
- is the defender of the public's right to be heard;
- has many responsibilities with respect to the annual budget, the budget process, budget control and various other financial matters; and
- performs the duties and exercise the responsibilities that were delegated to the elected incumbent by the Council.

## CHAPTER 2: GOVERNANCE

### **Mayoral Committee**

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

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

<b>Number of Council Resolutions taken during the year</b>	<b>Number of Council Resolutions implemented during the year</b>	<b>Number of Council Resolutions not implemented during the year</b>
80	64	16
<i>*Note that some of the Council Resolutions are in process of completion/implementation</i>		

*Table 30- Council resolutions taken and implemented during 2020/21*

### **2.2 ADMINISTRATIVE GOVERNANCE STRUCTURE**

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

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

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

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

## CHAPTER 2: GOVERNANCE

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

Name of official	Position	Performance agreement signed
		(Yes/No)
Mr. D. McThomas	Municipal Manager	Yes
Mr. R. Esau	Director: Strategic Support Services	Yes
Mr. J. Steyn	Director: Technical Services / Engineering Services  (Since 1 February 2021, the Directorate: Technical Services split into two directorates – Public Services & Engineering Services. Mr. Steyn has been assigned to the position of Director: Engineering Services)	Yes
Mr. R. Ontong	Chief Financial Officer	Yes
Mr. S. Swartz	Director: Community Services	Yes
Vacant (Suitably qualified internal incumbents appointed in acting capacity as from 1 February 2021)	Director: Public Services	N/A

*Table 31- Administrative governance structure*

### COMPONENT B: INTERGOVERNMENTAL RELATIONS

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

#### 2.3 INTERGOVERNMENTAL RELATIONS (IGR)

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

##### 2.3.1 Intergovernmental structures

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

Name of structure	Members	Outcomes of engagements/topics discussed
National Municipal Manager's Forum	SALGA, MM	To ensure national alignment amongst municipal managers

## CHAPTER 2: GOVERNANCE

Name of structure	Members	Outcomes of engagements/topics discussed
MinMay Technical	DG Local Gov. provincial departments, municipal managers	To formulate joint strategic, policy and agenda items for the MinMay
MinMay	Executive Mayor and MM	The meeting is between the MEC of Local Government and all the executive mayors in the province to discuss strategic issues
Premier's Co-ordinating Forum	Executive Mayor and MM	Premier's Co-ordinating Forum with the Premier, MEC's and all executive mayors in the province - attended by the Executive Mayor and the Municipal Manager
District Co-ordinating Forum Technical	MM and all other municipal managers in the district	To co-ordinate efforts and discuss strategic alignment and matters of mutual interest (preparations for DCF)
District Co ordinating Forum (DCF)	Executive Mayor, MM and all other executive mayors and municipal managers	To discuss strategic and policy alignment matters at district level i.e., IDP alignment, shared service functions, transversal matters impacting on all spheres of government, SALGA matters, district specific issues etc. – ensuring joint planning and co-ordination and resource optimisation
SALGA Working Groups	Councillors and Speaker	Joint discussions on policy and service delivery issues
IDP Managers Forum (Provincial & District)	IDP Manager	To ensure provincial & district alignment amongst IDP managers
LED Managers Forum	LED Manager	To ensure provincial alignment amongst LED managers
SCM Forum	SCM Manager	To discuss policy and practical issues amongst SCM managers
Provincial Public Participation and Communication Forum (PPPCOM)	Manager: Customer Care, Communication, Corporate Branding & IGR and the Speaker	To ensure provincial alignment and co-operation amongst communication and public participation officials and discuss practical issues
CWD JDA Platform		The JDA seeks to facilitate and enhance co-planning, co-budgeting and co-implementation of pre-identified initiatives by means of a multi-disciplinary and intergovernmental approach. The CWD JDA implementation team comprises of the Provincial- as well as Local Government (CWDM and all



## CHAPTER 2: GOVERNANCE

Name of structure	Members	Outcomes of engagements/topics discussed
		associated local municipalities) representation
Provincial Skills Development Forum	Skills Development Facilitator	Joint discussions on skills development and training facilitation
HR Practitioners Forum	HR Manager	To ensure alignment of HR processes and practices in district and provincial context
Legislative and Constitutional Task Team	Directors & officials in Legal Services in the Province	To discuss the latest developments in the legal field bi-annually
JOC Meetings	Internal: Executive- and Senior Management External: SAPS, various provincial departments (e.g. Health and Education)	To ensure effective liaison during the Covid-19 pandemic and to identify and address challenges

*Table 32- Intergovernmental structures*

### 2.3.2 Joint projects and functions with sector departments

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

Name of project/ function	Expected outcome/s of the project	Sector department/s involved	Contribution of sector department
Early Childhood Development (ECD) programmes	Establishment of ECD's in the Breede Valley	<ul style="list-style-type: none"> <li>• DSD</li> <li>• BVM</li> <li>• Community Development Workers (CDW's)</li> </ul>	ECD registrations, funding, applications
CDW Information Sessions	Information sharing with communities	<ul style="list-style-type: none"> <li>• DLG</li> <li>• CDW's</li> <li>• BVM</li> <li>• Relevant departments hosting the info session</li> </ul>	Various information being shared on various topics, creating a database of attendees
Initiation programme	Cultural programme to help African boys become men	<ul style="list-style-type: none"> <li>• DCAS</li> <li>• BVM</li> </ul>	Provincial coordination to the programme
Job Readiness programme	Preparing unemployed youth	<ul style="list-style-type: none"> <li>• DoL</li> <li>• BVM</li> <li>• Community Development (CDW programme)</li> </ul>	Workshops, Transport
Learner License Programme	Assist youth to obtain learner licenses	<ul style="list-style-type: none"> <li>• CDW Programme</li> <li>• BVM Traffic</li> </ul>	Learners classes

## CHAPTER 2: GOVERNANCE

Name of project/ function	Expected outcome/s of the project	Sector department/s involved	Contribution of sector department
		<ul style="list-style-type: none"> <li>• BVM Community Development</li> </ul>	
Touwsrivier Food Security programme	Identify 100 beneficiaries for backyard food gardens	<ul style="list-style-type: none"> <li>• DoA Community Development</li> <li>• BVM LED</li> <li>• CDW Programme</li> </ul>	Providing equipment for backyard food gardens
De Doorns Multipurpose resource centre	Provision of Computer facility	<ul style="list-style-type: none"> <li>• CWDM Community Development</li> <li>• SASRIA</li> <li>• SANTAM</li> </ul>	Construction of the facility and provision of access to computer facility and internet services
Hydroponics food security project	Establish community HUB and 60 home growers	<ul style="list-style-type: none"> <li>• CWDM Community Development</li> <li>• BVM</li> <li>• SASRIA</li> <li>• SANTAM</li> </ul>	Provision of equipment, training and other resources
Provision of Covid-19 business safety kits to SMME's & Informal Traders	To mitigate the spread of Covid-19 within the SMME & Informal sector	<ul style="list-style-type: none"> <li>• DEDAT</li> <li>• CWDM</li> <li>• BVM</li> </ul>	Funding of safety kits and support with the delivery & distribution thereof
SANRAL N1 refurbishing project	To create opportunities for local contractors in SANRAL's capital maintenance programmes	<ul style="list-style-type: none"> <li>• SANRAL</li> <li>• DSBD</li> <li>• SEDA</li> <li>• BVM</li> </ul>	Creation of opportunity for local contractors to participate in the program/project
<b>Touwsrivier small-scale farmer/farming preliminary investigation</b>	To investigate the feasibility of assisting the community to engage in subsistence agriculture	<ul style="list-style-type: none"> <li>• DoA</li> <li>• DoRD&amp;LR</li> <li>• CWDM</li> <li>• BVM</li> </ul>	Availing possible funding and technical support to interested small-scale farmers (it is imperative to note that this project is still in planning/feasibility assessment phase)
<b>Covid-19 business support</b>	<p>To assist companies to deal with the sever impacts of the pandemic</p> <p>Disseminating information on the various business support available to mitigate the effects of the hard lockdown in 2020</p>	<ul style="list-style-type: none"> <li>• DTI</li> <li>• DEDAT</li> <li>• SEDA</li> <li>• SEFA</li> <li>• BVM</li> </ul>	<p>Expert analysis of business strategy &amp; financials in order to recommend appropriate recovery initiatives.</p> <p>The development and circulation of economic recovery &amp; business support resources (financial &amp; non-financial) in order to stimulate post-Covid economic recovery</p>
Business and economy cluster	To coordinate a governmental response in	<ul style="list-style-type: none"> <li>• BVM</li> <li>• CWDM</li> <li>• DEDAT</li> </ul>	Receive, coordinate & disseminate information pertaining to matters of

## CHAPTER 2: GOVERNANCE

Name of project/ function	Expected outcome/s of the project	Sector department/s involved	Contribution of sector department
	respect the Covid-19 pandemic	<ul style="list-style-type: none"> <li>• SEFA</li> <li>• DoA</li> <li>• Casidra</li> </ul>	economic development during the cause of the pandemic
Covid-19 Vaccination Drive & Campaign	To promote awareness pertaining to the socio-economic and health risks linked to the pandemic coupled with the critical importance of vaccination campaign as a mean of fast tracking post-Covid socio-economic recovery	<ul style="list-style-type: none"> <li>• DoH</li> <li>• DSD</li> <li>• SAPS</li> <li>• DoE</li> <li>• BVM</li> </ul>	Covid-19 electronic/print communication material and resources during community awareness campaigns

*Table 33- Joint projects and functions with sector departments*

### COMPONENT C: PUBLIC ACCOUNTABILITY

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

Such participation is required in terms of:

- the preparation, implementation and review of the IDP;
- establishment, implementation and review of the performance management system;
- monitoring and review of the performance, including the outcomes and impact of such performance; and
- preparation of the municipal budget.

#### 2.4 PUBLIC MEETINGS

##### 2.4.1 Representative forums

###### a) *Labour forums*

The table below specifies the members of the labour forum for the 2020/21 financial year:

Name of representative	Capacity	Meeting Dates
D McThomas	Employer Component: Member – Municipal Manager	4 September 2020 9 October 2020 12 February 2021
R Esau	Employer Component: Member – Director: Strategic Support Services	

## CHAPTER 2: GOVERNANCE

Name of representative	Capacity	Meeting Dates
R Ontong	Employer Component: Member – Director: Financial Services	19 March 2021 16 April 2021 26 May 2021
J Steyn	Employer Component: Member – Director: Technical/Engineering Services (as from 1 February 2021)	
J Pekeur /P Hartzenberg	Employer Component: Member – Acting Director: Public Services (1 February 2021 – 30 June 2021)	
S Swartz	Employer Component: Member – Director: Community Services	
Councillor J Jack	Employer Component: Member	
Councillor R Farao	Employer Component: Member – Deputy Chairperson of LLF	
Councillor W Meiring	Employer Component: Member	
Councillor V Mngcele	Employer Component: Member	
Councillor N Nel	Employer Component: Member	
A Eiman	Union Component: Member	
E Matolla	Union Component: Member	
R Nasson	Union Component: Member	
E Swanepoel	Union Component: Member	
M Visser	Union Component: Member	
W Visagie	Union Component: Member – Chairperson of LLF	
L Louis	Union Component: Member	
C Visagie	Union Component: Member	
A Sithole	Union Component: Member	
W Soldaat (served until March 2021)	Union Component: Member	
M Lottering (replaced W Soldaat as from April 2021)	Union Component: Member	
A Wilton	Advisor/Operational & Administrative Support – Manager: Human Resources	
M Cona	Advisor/Operational & Administrative Support – HR Officer: Labour Relations	
L Nqgabuko	Advisor/Operational & Administrative Support – Senior Officer: Human Resources	

## CHAPTER 2: GOVERNANCE

Name of representative	Capacity	Meeting Dates
E Scholtz	Advisor/Operational & Administrative Support – HR Officer: Occupational Health & Safety	
O Wilson	Advisor/Operational & Administrative Support – HR Officer: Skills Development	
H Potgieter	Advisor/Operational & Administrative Support – Senior Manager: Legal Services	

*Table 34- Labour forum*

Mr W. Visagie (SAMWU – union component) continued to serve as Chairperson, whilst Councillor R. Farao (employer’s component) continued to serve as Deputy Chairperson.

### 2.4.2 Ward committees

The purpose of a ward committee is:

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

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

The ward committee supports the ward councillor who receives reports on development, participates in development planning processes, and facilitates wider community participation. To this end, the municipality constantly strives to ensure that all ward committee function optimally with the provision of community information, convening of meetings, ward planning, service delivery, IDP formulation and performance feedback to communities.

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

Ward	Councillor	Ward Committee Members	Representation	Number of meetings held year 2020/21
<b>Ward 1: The entire community of Touwsrivier, including business</b>	Cllr Jafta	1. A Botes 2. F Davids 3. Z Hass 4. P Herder	1. Church 2. Education 3. Small Business 4. Safety	<b>3</b>

## CHAPTER 2: GOVERNANCE

Ward	Councillor	Ward Committee Members	Representation	Number of meetings held year 2020/21
<b>and residential areas</b>		5. R Jacobs 6. S Olifant 7. J Scheffers 8. O Schreuders 9. H Smith 10. S Titus	5. Older persons 6. Health 7. Small Farmer 8. Business 9. Sport 10. Youth	
<b>Ward 2: Stofland and adjacent farms</b>	Cllr. Langata	1. N December 2. B Fortuin 3. NC Jack 4. F Jantjies 5. SF Madlolo 6. M Makeleni 7. T Makhanya 8. M Qoyi 9. T Sixaba 10. N Zakhe	1. Finance 2. Safety 3. Youth 4. Health 5. Agriculture 6. Faith based 7. Small Business 8. Sport 9. Housing 10. Not indicated	<b>3</b>
<b>Ward 3: The centre of De Doorns, Hasie Square, Ekuphumleni and adjacent farms areas</b>	Cllr. Willemse	1. W Fuller 2. T Mkasakasa 3. J Morris 4. J Morris 5. M Mfuthwana 6. A Nyembe 7. E Plaatjies 8. N Rateleki 9. Vacant 10. Vacant	1. Health 2. Social 3. Geographical 4. Geographical 5. Youth 6. Housing 7. Geographical 8. Women 9. Vacant 10. Vacant	<b>3</b>
<b>Ward 4: Section of De Doorns town centre, Orchard and adjacent farm areas</b>	Cllr. Isaacs	1. M Gwe 2. E Lambrecht 3. P Loggenberg 4. S Prent 5. A Solomon 6. C de Beer	1. Transport 2. Women 3. Agriculture 4. Sport 5. Housing 6. Safety	<b>3</b>



## CHAPTER 2: GOVERNANCE

Ward	Councillor	Ward Committee Members	Representation	Number of meetings held year 2020/21
		7. J Philander 8. J Toring 9. N Kani 10. M Lebaea	7. Infrastructure 8. Faith based 9. Not indicated 10. Not indicated	
<b>Ward 5: De Doorns farming areas including Brandwag, De Wet and Sandhills, parts of Panorama, Altona and Van Riebeeck Park</b>	Cllr. Von Willingh	1. E Eland 2. H Plaatjies 3. P Filander 4. I Rangolie 5. S Stendelle 6. Vacant 7. Vacant 8. Vacant 9. Vacant 10. Vacant	Geographical	<b>3</b>
<b>Ward 6: N1 Worcester entrance, Tuindorp, Bergsig, Van Riebeeck Park, Panorama, Hospital Hill, Fairway Heights, Bloekombos and part of Altona</b>	Cllr. Van der Westhuizen	1. J Botha 2. P Burger 3. R Cupido 4. R Kleinhans 5. C Opperman 6. J Saayman 7. C Willemse 8. R Butler 9. J Roodt 10. Vacant	1. Youth 2. Faith based 3. Business, Informal Trade, Tourism 4. Health and Welfare 5. Education 6. Community Safety 7. Sport 8. Not indicated 9. Not indicated 10. Vacant	<b>6</b>
<b>Ward 7: Paglande, Meirings Park, part of Roux Park, De La Bat Way, Fairy Glen and part of Industrial Area</b>	Cllr. Kritzinger	1. T Bester 2. C Botha 3. D de Koker 4. J de Koker 5. J de Witt 6. JP Dippenaar	Geographical	<b>6</b>

## CHAPTER 2: GOVERNANCE

Ward	Councillor	Ward Committee Members	Representation	Number of meetings held year 2020/21
		<ol style="list-style-type: none"> <li>7. R Lennox</li> <li>8. H Swart</li> <li>9. M Swart</li> <li>10. E Du Plessis</li> </ol>		
<b>Ward 8: Part of Industrial Area, Hex Industrial and part of Zwelethemba</b>	Cllr. Williams	<ol style="list-style-type: none"> <li>1. N Bodla</li> <li>2. T Frans</li> <li>3. L Kelepu</li> <li>4. L Khutwana</li> <li>5. J Makhubalo</li> <li>6. T Mbenga</li> <li>7. A Mdyeshana</li> <li>8. S Ndzima</li> <li>9. N Skomolo</li> <li>10. P Mabala</li> </ol>	Geographical	<b>3</b>
<b>Ward 9: Roodewal area and part of Esselen Park (the Chessies)</b>	Cllr. Matjan	<ol style="list-style-type: none"> <li>1. P Beukes</li> <li>2. G Daames</li> <li>3. RL Jooste</li> <li>4. F Ross</li> <li>5. P Hansen</li> <li>6. S van Rhyn</li> <li>7. P Jansen</li> <li>8. R Visagie</li> <li>9. J Visser</li> <li>10. C Moos</li> </ol>	Geographical	<b>6</b>
<b>Ward 10: Part of Hex Park and Roodewal flats</b>	Cllr. M Jacobs	<ol style="list-style-type: none"> <li>1. A September</li> <li>2. M Hoffman</li> <li>3. W Damons</li> <li>4. S Kees</li> <li>5. L Oikers</li> <li>6. J Jansen</li> <li>7. A September</li> <li>8. L Standaard</li> </ol>	Geographical	<b>5</b>

## CHAPTER 2: GOVERNANCE

Ward	Councillor	Ward Committee Members	Representation	Number of meetings held year 2020/21
		9. H Jacobs 10. Vacant		
<b>Ward 11: Parkersdam, Florian Park and parts of Esselen Park (the OVD), Hugosdorp, Riverview and Victoria Park</b>	Cllr. Sampson	1. E Ceaser 2. B Harmse 3. E Heradien 4. E Mentza 5. W Pedro 6. I Swanepoel 7. A Swartbooi 8. B Vlok 9. K Willemse 10. J Where-Speelman	Geographical	<b>6</b>
<b>Ward 12: Part of Avian Park, Russell Scheme and CBD</b>	Cllr. Sheldon	1. A Booysen 2. J Goedeman 3. E Malan 4. A Spogter 5. S Oktober 6. ADJ Mitchell 7. Vacant 8. Vacant 9. Vacant 10. Vacant	1. Community Services 2. Sport 3. Housing 4. Infrastructure 5. Woman 6. Faith based 7. Vacant 8. Vacant 9. Vacant 10. Vacant	<b>6</b>
<b>Ward 13: Johnsons Park 1, 2 and part of 3, parts of Noble Park, Hex Park and Riverview houses</b>	Cllr. Farao	1. G Andrews 2. S Jacobs 3. B Jansen 4. D Lakay 5. C Fielies 6. HD Hattingh 7. A Petersen 8. E Porter 9. S Zekoe	Geographical	<b>6</b>

## CHAPTER 2: GOVERNANCE

Ward	Councillor	Ward Committee Members	Representation	Number of meetings held year 2020/21
		10. D Jacobs		
<b><u>Ward 14:</u> Riverview flats and Victoria Park</b>	Cllr. Jack	1. R Antonie 2. G Micheals 3. H Bekeer 4. F Lourens 5. G Maans 6. K Shahabodien 7. D Tim 8. H Williams 9. C Visagie 10. E Williams	Geographical	<b>5</b>
<b><u>Ward 15:</u> Langerug, Worcester West, Somerset Park and Goudini Farms</b>	Cllr. Meiring	1. C Marais 2. E Botma 3. I Jones 4. J Meiring 5. J Tole 6. F Willemse 7. L Theron 8. Vacant 9. Vacant 10. Vacant	1. Community Services 2. Health and Welfare 3. Housing 4. Infrastructure 5. Women 6. Sport 7. Not indicated 8. Informal Trade 9. Vacant 10. Vacant	<b>4</b>
<b><u>Ward 16:</u> Part of Zwelethemba and Mandela Square</b>	Cllr. Mangali	1. V Dlikilili 2. L Ndlebe 3. R Kula 4. N Malingo 5. E Msutwana 6. Z Shoba 7. K Mqolo 8. G Taule 9. S Zukelo 10. P Taule	Geographical	<b>1</b>

## CHAPTER 2: GOVERNANCE

Ward	Councillor	Ward Committee Members	Representation	Number of meetings held year 2020/21
<b>Ward 17: Part of Zwelethemba</b>	Cllr. Tyira	<ol style="list-style-type: none"> <li>1. J Funda</li> <li>2. G Mabusela</li> <li>3. L Makoetlane</li> <li>4. N Mavata</li> <li>5. R Ramakatsa</li> <li>6. D van Rhyn</li> <li>7. A Situkutezi</li> <li>8. S Williams</li> <li>9. Vacant</li> <li>10. Vacant</li> </ol>	Geographical	<b>2</b>
<b>Ward 18: Part of Zwelethemba and farms from Overhex, Nonna, etc.</b>	Cllr. Mkhwane	<ol style="list-style-type: none"> <li>1. S Hans</li> <li>2. Y Kuthwana</li> <li>3. D Maarman</li> <li>4. N Mangweni</li> <li>5. N Nkonzo</li> <li>6. Z Ntsomi</li> <li>7. L Yavi</li> <li>8. M Stalmeester</li> <li>9. Vacant</li> <li>10. Vacant</li> </ol>	Geographical	<b>2</b>
<b>Ward 19: Part of Rawsonville, Goedeman Park and outlying farming community</b>	Cllr. Goedeman	<ol style="list-style-type: none"> <li>1. B Cupido</li> <li>2. S Pedro</li> <li>3. D Fredericks</li> <li>4. G Franse</li> <li>5. M Goedeman</li> <li>6. S Bosman</li> <li>7. P Hendriks</li> <li>8. A Matthews</li> <li>9. H Prins</li> <li>10. G Hendriks</li> </ol>	Geographical	<b>4</b>
<b>Ward 20: Part of the centre</b>	Cllr. Pietersen	<ol style="list-style-type: none"> <li>1. L Bruintjies</li> <li>2. S de Klerk</li> </ol>	Geographical	<b>4</b>

## CHAPTER 2: GOVERNANCE

Ward	Councillor	Ward Committee Members	Representation	Number of meetings held year 2020/21
<b>of Rawsonville and areas towards N1</b>		3. A Lesley 4. W Mandy 5. J Minnaar 6. G Smit 7. J Rongaam 8. M Williams 9. Vacant 10. Vacant		
<b>Ward 21: Part of Avian Park and surrounding informal areas</b>	Cllr. Wehr	1. M Adams 2. R Appolis 3. E Bailey 4. C Fransman 5. D Judge 6. E Klaassens 7. F. Masimala 8. A Snell 9. C Vyver 10. S Geldenhuys 11. Vacant	Geographical	<b>6</b>

*Table 35- Ward Committees for 2016-2021*

### 2.4.3 Functionality of ward committees

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

- Ward committee meetings held during the year include scheduled meetings between the ward councillor and committee members, including IDP/ward committee engagements as part of the IDP process for the 2020/21 planning year. Currently the number of ward committee meetings are limited to align ward committee meetings to the council resolution of a minimum of four meetings per financial year.
- Number of reports in the table below does not include IDP/Ward committee engagements for which specific reports are reflected in the IDP minutes.
- Functionality of ward committees is determined by the active engagements of ward committees with communities on public platforms and direct interactive sessions to improve or create better communities.
- Continuous engagements between the Speaker and the Administration have been undertaken to increase the activity levels of ward committees and stimulate motivation and willingness to drive development in the wards across Breede Valley.



## CHAPTER 2: GOVERNANCE

Ward number	Committee established: Yes / No	Number of meetings held during the year 2020/21
1	Yes	3
2	Yes	3
3	Yes	3
4	Yes	3
5	Yes	3
6	Yes	6
7	Yes	6
8	Yes	3
9	Yes	6
10	Yes	5
11	Yes	6
12	Yes	6
13	Yes	6
14	Yes	5
15	Yes	4
16	Yes	1
17	Yes	2
18	Yes	2
19	Yes	4
20	Yes	4
21	Yes	6

Table 36- Functioning of ward committees

### COMPONENT D: CORPORATE GOVERNANCE

Corporate governance is the set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. Corporate governance also includes the relationships among many stakeholders involved and the goals by which the institution is governed.

#### 2.5 RISK MANAGEMENT

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

- In terms of Sections 62(1)(c)(i) and 95(c)(i) of the MFMA the Accounting Officer is required to ensure that the municipality has and maintain effective, efficient and transparent systems of risk management.

## CHAPTER 2: GOVERNANCE

- The main reason for risk management is that the service delivery environment and the public sector’s interface with stakeholders have become far more demanding and volatile than before.
- The objective of the Risk Management Policy is to assist management and Council to make informed decisions which will:
  - improve the Municipality’s performance on decision making and planning;
  - provide a sound basis for integrated risk management and internal control as components of good corporate governance;
  - assist management in ensuring more effective reporting and compliance with applicable laws, regulations and other corporate governance requirements; and
  - foster a culture of good governance, ethical conduct, discourage inefficiencies and counter fraud and corruption.
- Historical ways of doing things are no longer effective as evidenced by several service delivery and general failures. Benefits of risk management are:
  - more efficient, reliable and cost-effective delivery of services;
  - minimised waste and fraud; and
  - more reliable decision making.

### 2.5.1 Top five risks

- Dysfunctional vehicle and plant fleet
- Inability to provide a safe and reliable road network
- Inadequate disaster risk management
- Inadequate long-term financial sustainability
- Inadequate revenue enhancement
- Insufficient airspace/disposal capacity for solid waste

### 2.5.2 Action plan to address the top five risks

The table below provides the actions implemented during the 2020/21 financial year or that were planned to be implemented to address the top five risks:

Risk	Actions implemented or that will be implemented
Dysfunctional vehicle and plant fleet	<ul style="list-style-type: none"> <li>🌀 Maintain controls as recorded in the Strategic Risk Management Report for the period 2020/21:               <ul style="list-style-type: none"> <li>● Fleet Maintenance System</li> <li>● Hiring vehicle and plant fleet</li> <li>● Own workshop for maintenance</li> <li>● Tracking device systems in vehicles</li> </ul> </li> <li>🌀 Actions:               <ul style="list-style-type: none"> <li>● Appointment of a Fleet Manager (in progress)</li> </ul> </li> </ul>
Inability to provide a safe and reliable road network	<ul style="list-style-type: none"> <li>🌀 Maintain controls as recorded in the Strategic Risk Management Report for the period 2020/21:               <ul style="list-style-type: none"> <li>● Capital reserve</li> </ul> </li> </ul>

## CHAPTER 2: GOVERNANCE

Risk	Actions implemented or that will be implemented
	<ul style="list-style-type: none"> <li>• Implementation of capital programme</li> <li>• Schedule maintenance programme</li> <li>• Scheduled road refurbishing programme</li> </ul>
Inadequate Disaster Risk Management	<ul style="list-style-type: none"> <li>• Maintain controls as recorded in the Strategic Risk Management Report for the period 2020/21: <ul style="list-style-type: none"> <li>• By-Law code on fire safety</li> <li>• Clearing of fire breaks</li> <li>• Disaster and business continuation plans and procedures</li> <li>• Fire and Rescue Services Collective Agreement</li> <li>• Mutual Aid Agreement with CWDM</li> <li>• Public educational programmes/awareness programmes regarding fire and disaster services</li> <li>• Safety inspections at buildings and high-risk installations</li> <li>• Ward Based Disaster Risk Assessment Report</li> </ul> </li> <li>• Actions: <ul style="list-style-type: none"> <li>• Develop mitigation plans for all risks identified during the 2017/18 assessment (in progress)</li> <li>• Appointment of a disaster management officer (in progress)</li> </ul> </li> </ul>
Inadequate long-term financial sustainability	<ul style="list-style-type: none"> <li>• Maintain controls as recorded in the Strategic Risk Management Report for the period 2020/21: <ul style="list-style-type: none"> <li>• Budgetary control procedures</li> <li>• Continuous monitoring and analysis of expenditure incurred</li> <li>• Expenditure budgetary control by the MM and CFO</li> <li>• Long-term Financial Strategy</li> <li>• Revenue Enhancement Plan</li> </ul> </li> </ul>
Inadequate revenue enhancement	<ul style="list-style-type: none"> <li>• Maintain controls as recorded in the Strategic Risk Management Report for the period 2020/21: <ul style="list-style-type: none"> <li>• Credit Control Policy</li> <li>• Data cleansing programme</li> <li>• Deviation report linked with prepaid system for credit control</li> <li>• Implementation of Revenue Enhancement Strategy and action plans</li> <li>• Indigent portfolio verification</li> <li>• Revenue protection programme</li> <li>• Zonal meters</li> </ul> </li> </ul>
Insufficient airspace/disposal capacity for solid waste	<ul style="list-style-type: none"> <li>• Maintain controls as recorded in the Strategic Risk Management Report for the period 2020/21: <ul style="list-style-type: none"> <li>• Application and submission for licence/permit for regional landfill site</li> <li>• Awareness campaigns/notice boards to public on waste management</li> <li>• Implementation of waste minimization practices to reduce disposal of waste</li> <li>• Integrated Waste Management Plan</li> <li>• Satellite station at De Doorns</li> </ul> </li> </ul>

## CHAPTER 2: GOVERNANCE

Risk	Actions implemented or that will be implemented
	<ul style="list-style-type: none"> <li>Security services on landfill sites</li> </ul> <p>🌀 Actions:</p> <ul style="list-style-type: none"> <li>Complete the application process linked to the lifting of the height restriction at the landfill site (in progress)</li> </ul>

Table 37- Action plan to address the top five risks

### 2.5.3 Approved risk policies and strategies

Name of strategy / policy	Developed Yes/No	Date adopted/reviewed
Enterprise Risk Management Policy	Yes	13 June 2019 (Resolution C47/2019)
Enterprise Risk Management Strategy	Yes	13 June 2019 (Resolution C47/2019)

Table 38- Approved risk policies and strategies

## 2.6 FRAUD PREVENTION

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimise the possibility of fraud and corruption and the MFMA, section 112(1) (m)(i) specify supply chain measures to be enforced to combat fraud and corruption, favouritism and unfair and irregular practices. Section 115(1) of the MFMA states that the accounting officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimise the likelihood of corruption and fraud.

### 2.6.1 Developed strategies

Name of strategy	Developed Yes/No	Date adopted/reviewed
Fraud and Corruption Prevention Policy	Yes	13 June 2019 (Resolution C47/2019)
Fraud Prevention Strategy and Response Plan	Yes	13 June 2019 (Resolution C47/2019)
Code of Ethics Policy	Yes	13 June 2019 (Resolution C47/2019)
Municipal Public Accounts Committee Policy	Yes	25 February 2014 (Resolution C6/2014)
Whistle Blowing Policy	Yes	13 June 2019 (Resolution C47/2019)

Table 39- Strategies

## CHAPTER 2: GOVERNANCE

### 2.6.2 Implementation of strategies and/or controls ongoing process

The table below provides details of the strategies and/or that can and/or are implemented for anti-corruption and anti-fraud:

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

*Table 40- Implementation of the strategies*

## CHAPTER 2: GOVERNANCE

### 2.7 AUDIT COMMITTEE

#### 2.7.1 Functions of the Audit Committee

BVM's Audit Committee was appointed on 1 July 2017 and 2 additional members were appointed on 1 March 2019. The Chairperson, J. Gunther resigned on 29 February 2020 and the member, M Roos was appointed as Chairperson during May 2020. The Audit Committee also fulfils the role of the Performance Audit Committee and was fully functional during the 2020/21 financial year.

The audit committee has the following main functions as prescribed in Section 166(2)(a-e) of the MFMA and the Local Government Municipal and Performance Management Regulation:

- To advise the Council on all matters related to compliance and effective governance
- To review the annual financial statements to provide Council with an authoritative and credible view of the financial position of the municipality, its efficiency and its overall level of compliance with the MFMA, the annual Division of Revenue Act (DoRA) and other applicable legislation
- Respond to the Council on any issues raised by the Auditor-General in the audit report.
- To review the quarterly reports submitted to it by Internal Audit
- To evaluate audit reports pertaining to financial, administrative and technical systems
- To review the performance management system and make recommendations in this regard to Council
- To identify major risks to which Council is exposed and determine the extent to which risks have been minimised
- Review the plans of the internal audit function and in so doing, ensure that the plan addresses the high-risk areas and ensure that adequate resources are available.
- Provide support to the internal audit function.
- Ensure that no restrictions or limitations are placed on the internal audit section.
- Evaluate the activities of the internal audit function in terms of their role as prescribed by legislation.

#### 2.7.2 Members of the Audit Committee

Name of representative	Capacity	Meeting dates
M. Roos	Chairperson	30 September 2020
J. Williams	Member	15 February 2021
S. Allie	Member	24 May 2021 23 June 2021

Table 41- Members of the Audit Committee

## CHAPTER 2: GOVERNANCE

### 2.7.3 Municipal Audit Committee recommendations

Date of Committee	Matters discussed during 2020/21	Recommendations adopted
30 September 2020	<ul style="list-style-type: none"> <li>● Feedback on BVM Audit Action Plans (2018/19 AG Audit Process) &amp; Audit Readiness Engagement Report</li> </ul>	5
	<ul style="list-style-type: none"> <li>● Review of Annual Financial Statements</li> </ul>	
	<ul style="list-style-type: none"> <li>● Review of Annual Performance Report</li> </ul>	
	<ul style="list-style-type: none"> <li>● Feedback from Risk Management on status of implementation of ERM process</li> </ul>	
	<ul style="list-style-type: none"> <li>● Internal Audit annual reporting to Audit Committee</li> </ul>	
15 February 2021	<ul style="list-style-type: none"> <li>● Auditor-General feedback on Draft Management Report</li> </ul>	7
	<ul style="list-style-type: none"> <li>● Feedback from Risk Management on status of implementation of ERM process including additional responsibilities managed</li> </ul>	
	<ul style="list-style-type: none"> <li>● Feedback on risks, impact and management of COVID-19</li> </ul>	
	<ul style="list-style-type: none"> <li>● Internal Audit quarterly reporting to Audit Committee</li> </ul>	
	<ul style="list-style-type: none"> <li>● Review of performance management system &amp; internal auditing of performance information</li> </ul>	
	<ul style="list-style-type: none"> <li>● Progress on the implementation of SAGE HR system</li> </ul>	
24 May 2021	<ul style="list-style-type: none"> <li>● Feedback from ICT on IT risks - Risk of cyber and ransom attacks</li> </ul>	8
	<ul style="list-style-type: none"> <li>● Feedback on BVM Audit Action Plans (2018/19 AG Audit Report &amp; Management Report)</li> </ul>	
	<ul style="list-style-type: none"> <li>● Feedback from Risk Management on status of implementation of ERM process including additional responsibilities managed</li> </ul>	
	<ul style="list-style-type: none"> <li>● Strategic Audit Plan 2021 – 2024 &amp; Inputs to Draft RBAP 2021/2022</li> </ul>	



## CHAPTER 2: GOVERNANCE

Date of Committee	Matters discussed during 2020/21	Recommendations adopted
	<ul style="list-style-type: none"> <li>● Internal Audit quarterly reporting to Audit Committee</li> <li>● Review of Performance Management System</li> <li>● Quarterly Financial Information Overview</li> <li>● Progress on the implementation of SAGE HR System</li> </ul>	
23 June 2021	<ul style="list-style-type: none"> <li>● Auditor-General Feedback</li> <li>● Reviewed Strategic Audit Plan 2021 – 2024 &amp; RBAP 2021/22 Submitted for Approval</li> <li>● Confirmation of Internal Audit Independence</li> <li>● Annual Code of Ethics &amp; Conflict of Interest Declaration for Financial Year 2020/21</li> <li>● Outcome Annual Quality Assurance &amp; Improvement Program Assessment</li> <li>● Approval of Internal Audit Charter</li> <li>● Review &amp; Approval of Audit Committee Charter</li> <li>● Quarterly Financial Information Overview</li> <li>● Progress on the Implementation of SAGE HR System</li> </ul>	9

*Table 42- Municipal Audit Committee recommendations*

### 2.8 PERFORMANCE AUDIT COMMITTEE

#### 2.8.1 Functions of the Performance Audit Committee

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

- (i) review the quarterly reports produced and submitted by the internal audit process;
- (ii) review the municipality's performance management system and make recommendations in this regard to the Council of the municipality; and
- (iii) at least twice during each financial year submit a performance audit report to the Council of the municipality.

## CHAPTER 2: GOVERNANCE

### 2.8.2 Members of the Performance Audit Committee

Name of Member	Capacity	Experience	Meeting dates
M. Roos	Chairperson	Doctorate Degree, CA(SA), Master of Commerce in Auditing, Higher Diploma Company Law, Qualified Public Sector Chief Financial Manager	30 September 2020 15 February 2021 24 May 2021 23 June 2021
J. Williams	Member	CA(SA)	
S. Allie	Member	Post Graduate Diploma Business Management, ND: Cost Accounting	

Table 43- Members of the Performance Audit Committee

### 2.9 INTERNAL AUDIT

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

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

BVM has an in-house Internal Audit Division consisting of the Chief Audit Executive, three internal auditors, one assistant internal auditor and one senior clerk: internal audit.

## CHAPTER 2: GOVERNANCE

### 2.9.1 Risk register and three-year strategic plan

The annual risk assessment process was performed during April and May 2021 and all strategic risks were populated into a Strategic Risk Register for the Municipality. The Strategic Risk Register formed the basis of the 3-year Strategic Audit Plan for 2021-2024. The annual risk assessment was conducted during 2020/21 and the risk register was approved by Council during May 2021 which formed the basis for the 2021/22 annual Risk Based Audit Plan (RBAP).

### 2.9.2 Annual audit plan

The RBAP for 2020/21 was executed based on the above approach and methodology. 100% of the annual RBAP was implemented with available resources. The table below provides details of audits completed:

<b>BVM – Annual Audit Plan 2020/21</b>		
<b>Description</b>	<b>No of hours estimated</b>	<b>Date completed</b>
<b>Risk based audits</b>		
Inventory Management	320	30 November 2020
Property Management	320	30 June 2021
Auditing of Performance Information	1280	Report 1 – 24 December 2020 Report 2 – 05 February 2021 Report 3 – 05 February 2021 Report 4 – 20 May 2021
Labour Relations Process	320	30 June 2021
Town Planning & Building Control	320	30 June 2021
Housing Waiting List & Transhex Allocations	320	30 June 2021
Stores: Inventory Control	320	30 June 2021
<b>Follow-Up Audits</b>		
Continuous follow-up of Audit Findings	320	Ongoing – 30 June 2021
<b>Continuous</b>		
Combined Assurance Implementation	310	Ongoing – 30 June 2021
Continuous Monitoring Implementation	310	Ongoing – 30 June 2021
Review Strategic Plan & Compile Annual Audit Plan	160	Ongoing – 30 June 2021
Junior Internal Audit Assistance, Supervision & Review of Audit Work	500	Ongoing – 30 June 2021
<b>Total hours</b>	<b>4 800</b>	

*Table 44- Internal audit coverage plan*

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

<b>Function</b>	<b>Date/Number</b>
Risk analysis completed/reviewed	April & May 2021

## CHAPTER 2: GOVERNANCE

Function	Date/Number
Reviewed Strategic Audit Plan 2021-2024	23 June 2021
Risk Based Audit Plan approved for 2021/22 financial year	23 June 2021
Internal Audit Programme drafted and approved	23 June 2021
Number of audits/reviews conducted and reported on	11
<b>Audit reports included the following key focus areas:</b>	
Internal controls	11
Accounting procedures and practices	4
Risk and risk management	11
Performance management	4
Loss control	5
Compliance with the MFMA and other legislation	11

*Table 45- Internal audit functions*

### 2.10 SUPPLY CHAIN MANAGEMENT (SCM)

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

#### 2.10.1 Competitive bids more than R200 000

##### a) *Bid Committee meetings*

The following table details the number of bid committee meetings held for the 2020/21 financial year:

Bid specification committee	Bid evaluation committee	Bid adjudication committee
74	57	31

*Table 46- Bid Committee meetings*

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

Member	Percentage attendance
Manager: Procurement	43%
Relevant technical expert(s) responsible for a function(s)	64%

*Table 47- Attendance of members of Bid Specification Committee*

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

Member	Percentage attendance
Manager: Procurement	47%

## CHAPTER 2: GOVERNANCE

Member	Percentage attendance
Relevant technical expert(s) responsible for a function(s)	72%

*Table 48- Attendance of members of Bid Evaluation Committee*

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

Member	Percentage attendance
Director: Financial Services (Chairperson)	100%
Director: Technical Services / Engineering Services	90%*
Director: Community Services	100%
Director: Strategic Support Services	81%
Acting Director: Public Services	76%*
Senior Manager: Supply Chain Management	100%

*\*It must be noted that the Municipality has recently split the Directorate Technical Services into Engineering Services and Public Services (effective since 1 February 2021). Since the split, the Acting Director: Public Services attended 13 out of the 17 meetings held*

*Table 49- Attendance of members of Bid Adjudication Committee*

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

### **b) Awards made by the Bid Adjudication Committee**

The Bid Adjudication Committee **awarded 37 bids** with an estimated value of **R155 416 707.80**

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

Bid number	Title of bid	Directorate	Successful bidder	Value of bid awarded (R)
BV871/2020	Bulk electrical services for the Transhex housing development in Worcester - phase 3	Engineering Services	VE Reticulation (Pty) Ltd	9 999 185.71
BV823/2021	Upgrading of gravel roads at Avian Park, Worcester	Engineering Services	JVZ Construction (Pty) Ltd	8 078 300.11
BV566/2020	Professional services for the construction of erosion protection at Hex River	Engineering Services	WEC- Consult (Pty) Ltd	7 019 371.40
BV810/2019	Installation of 11 KV cables in Worcester	Engineering Services	Momotheka Trade 1011 cc	3 224 421.75
BV841/2019	Construction/ refurbishment of new SCM building	Finance	ZAF Construction cc	2 902 014.99

## CHAPTER 2: GOVERNANCE

Bid number	Title of bid	Directorate	Successful bidder	Value of bid awarded (R)
BV814/2019	Professional services for the extension of Rawsonville WWTW	Engineering Services	Bergstan South Africa Consulting and Development Engineers (Pty) Ltd	2 720 944.16
BV806/2019	Supply, delivery, installation, and commissioning of 12 - 24kv RMU's within, Worcester	Engineering Services	VE Reticulation (Pty) Ltd	1 932 245.76
BV797/2020	Construction of municipal services at Meirings Park, Worcester	Engineering Services	SR Civil Contractors (Pty) Ltd	1 149 935.60
BV862/2020	Supply and delivery of tipper truck	Engineering Services	Shorts Nissan cc	965 086.90
BV869/2020	Upgrading of rugby field in De Doorns	Community Services	ATC Artificial Turf and Civilis (Pty) Ltd	811 687.20

*Table 50- Ten highest bids awarded by Bid Adjudication Committee*

### **c) Awards made by the Accounting Officer**

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

Bid number	Title of bid	Directorate	Successful bidder	Value of bid awarded (R)
BV856/2020	Resurfacing of municipal roads for the period ending 30 June 2022	Engineering Services	Imvula Roads and Civils (Pty) Ltd	77 488 232.35
BV825/2020	Construction of swimming pool in Zwelethemba	Engineering Services	Murray and Dickson (Pty) Ltd	27 244 189.18
BV834/2021	Security monitoring and armed response services for the period ending 30 June 2024	Community Services	Capital Security Boland	22 500 000.00
BV853/2020	Rental of plant, machinery and vehicles for a period ending 30 June 2023	Public Services	Various bidders	20 000 000.00

*Table 51- Awards made by Accounting Officer*

## CHAPTER 2: GOVERNANCE

### **d) Appeals lodged by aggrieved bidders**

Twelve (12) appeals were lodged by aggrieved bidders on awards made in terms of Section 62(1) of the MSA, which relate to the following tenders:

Tender No	Description	Date of finalization of the appeal
BV814/2020	Professional services for the extension of Rawsonville wastewater treatment works	12 November 2020
BV566/2020	Professional services for the construction of erosion protection at hex river	07 December 2020
BV837/2020	Supply and delivery of protective clothing: structural firefighting gear for the period ending 30 June 2022	23 September 2020
BV814/2020	Professional services for the extension of Rawsonville wastewater treatment works	12 November 2020
BV566/2020	Professional services for the construction of erosion protection at hex river	07 December 2020
BV866/2020	Construction of tar-surfaced netball court in De Doorns	10 February 2021
BV853/2020	Rental of plant, machinery and vehicles for a period ending 30 June 2023	03 February 2021
BV844/2020	Supply and delivery of plastic refuse bags for the period ending 30 June 2023	19 March 2021
BV870/2020	Provision of speed law enforcement and back office services for a period ending 30 June 2024	28 April 2021
BV665/2020	Rendering professional legal services for the period ending 30 June 2023	07 June 2021
BV878/2021	Management of pound services and ancillary functions within BVM area for a period ending 30 June 2023	14 June 2021
BV888/2021	Rendering of the street cleaning services (inclusive of open spaces) within the Worcester CBD and surrounding areas for the period ending 30 June 2024	15 June 2021

*Table 52- Appeals lodged by aggrieved bidders*

The total premium paid during the 2020/21 financial year to promote specific socio-economic goals as set out in the Preferential Procurement Regulations of 2017, was R10 985.00.



## CHAPTER 2: GOVERNANCE

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

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

The following table outlines the value of all quotations awarded to enterprises and contractors who are based within the jurisdiction of the Breede Valley Municipal area, for the period 1 July 2020 to 30 June 2021:

Month	Total Orders (R)	Local Companies (R)
July 2020	5 779 212.14	1 420 806.16
August 2020	8 880 868.55	2 740 387.42
September 2020	1 424 5792.28	3 228 623.63
October 2020	13 205 524.46	3 248 408.91
November 2020	14 424 532.20	2 969 242.48
December 2020	10 755 392.65	4 129 652.17
January 2021	9 664 583.41	1 756 653.49
February 2021	10 686 958.92	2 428 780.25
March 2021	14 411 543.44	3 197 818.83
April 2021	16 525 355.16	5 843 663.27
May 2021	16 274 722.22	3 296 694.52
June 2021	777 829.32	260 241.81
<b>Total</b>	<b>135 632 314.75</b>	<b>34 520 972.94</b>
<b>Percentage (%)</b>	25.45	

*Table 53- Awards made to local companies*

### 2.10.3 Deviations from normal procurement processes

Paragraph 36 of Council's SCM Policy allows the Accounting Officer to dispense with the official procurement process. Deviations amounting to **R39 503 137.52** were approved by the Accounting Officer. The following table provides a summary of deviations approved for the 2020/21 financial year:

Type of deviation	Number of deviations	Value of deviations (R)	Percentage of total deviations value (%)
Emergency	30	3 582 658.56	9.07
Sole provider	6	3 799 311.49	9.62
Acquisition of animals for zoos	0	0	0
Acquisition of special works of art or historical objects where specifications are difficult to compile	0	0	0

## CHAPTER 2: GOVERNANCE

Type of deviation	Number of deviations	Value of deviations (R)	Percentage of total deviations value (%)
Impractical to follow the normal procurement process	51	32 121 167.47	81.31
<b>Total Deviations</b>	<b>87</b>	<b>39 503 137.52</b>	<b>100</b>

Table 54- Summary of deviations

The value of deviations includes fix estimations, however, does not include all deviation contract values, of which the contract is based on tariffs and been used on an "as and when needed" basis. Deviations from the normal procurement processes have been monitored closely since the start of the financial year. Monthly reporting in terms of paragraph 36 of the SCM Policy has been complied with. A large number and amount of deviations has been caused by instances where it was impractical to follow a normal procurement process.

### 2.10.4 Logistics management

The system of logistics management must ensure the following:

- the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
- the setting of inventory levels that include minimum and maximum levels and lead times wherever goods are placed in stock.
- the placing of manual or electronic orders for all acquisitions other than those from petty cash;
- before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
- appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
- regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and
- monitoring and reviewing of the supply vendor performance to ensure compliance with specifications and contract conditions for goods or services.

Each stock item at the municipal stores in Market Avenue is coded and listed on the financial system. Monthly monitoring of issues and receipts patterns is performed by the storekeeper.

Inventory levels are set at the start of each financial year. These levels are set for normal operations. If special projects are being launched by departments, such information is not communicated timely to the stores section for them to order stock more than the normal levels.

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

## CHAPTER 2: GOVERNANCE

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

The value of the slow-moving items decreased from R6 986 544.85 (2019/20) to R1 638 694.21 (2020/21) at 30 June 2021, thus equating to a year-on-year reduction of 76.54%. Slow moving stock, measured against the total stock value for the year under review, decreased by 24.78%, from 34.37% (2019/20) to 9.59% (2020/21). Damaged stock is valued at R 5 049.98, redundant stock at R 9 015.33 and GRAP.12 inventory (stock capitalised) at R 10 079 304.48

### 2.10.5 Disposal management

The system of disposal management must ensure the following:

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

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

### 2.10.6 Performance management

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

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

During the 2020/21 financial year, no company was prohibited from doing business with the Municipality.

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

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

## CHAPTER 2: GOVERNANCE

Key performance indicator	2019/20 Achievement	2020/21 Achievement	Remarks
Quotations between R0 – R2 000	In excess of 3 days	20.69%	Increase in SCM legislative and reporting requirements. Increase in number of days where officials are out of office due to exams. Staff compliment remains unchanged. Departmental SCM procurement strategies need to be reviewed in order to reduce the volumes of request below R2000
Quotations between R2 000 – R30 000	In excess of 6 days	25.42%	Increase in SCM legislative and reporting requirements. Increase in number of days where officials are out of office due to exams. Staff compliment remains unchanged. Departmental SCM procurement strategies need to be reviewed in order to reduce the volumes of request below R30 000
Quotations between R30 000 – R200 000	In excess of 14 days	12.84%	Increase in SCM legislative and reporting requirements. Increase in number of days where officials are out of office due to exams. Staff compliment remains unchanged. Departmental SCM procurement strategies need to be reviewed in order to reduce the volumes of request below R200 000
Competitive bidding system (tenders)	In excess of 10 weeks	75% in excess of 10 weeks	The major reason for extensive lead times within the first 6 months of 2020/2021 was due to COVID 19. Increase in SCM legislative and reporting requirements. Increase in number of days where officials are out of office due to exams. Staff compliment has reduced

## CHAPTER 2: GOVERNANCE

Key performance indicator	2019/20 Achievement	2020/21 Achievement	Remarks
			with approximately 10% due to resignations.

Table 55- SCM performance indicators

### 2.10.7 Procurement and contract management

We have complied with SCM Regulation 6(3) for the 2020/21 financial year. These reports were submitted in a timely manner to the Chief Financial Officer, the Accounting Officer, as well as the Executive Mayor.

### 2.10.8 Procurement and contract management – Suppliers not registered for VAT

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

### 2.10.9 Procurement and contract management – Monitoring of contracts not done monthly

The Contract Management Office (established in 2018/19) continued to monitor SCM contracts above R200 000, that have been procured through an SCM process(es). The following objectives were set and achieved during the 2020/21 financial year:

- The Contract Management Office continued to perform contract management functions coupled with direct reporting to the Manager Procurement
- Aligning the contract management procedures and systems with the rest of the SCM functions and Expenditure Department
- Formalise and implement a new Contract Management Framework which already forms part of the SCM Policy
- The implementation of an electronic Contract Management System, Electronic SCM Archive
- The implementation of a full electronic purchasing system
- Monthly reports were distributed to all contract champions on the contract status of SCM contracts
- Control and safekeeping of contract documents, in conjunction with the records department, have been improved and continually enhanced by means of the electronic system introduced during the 2019/20 financial year
- With the establishment and inclusion of the contract management function within SCM, performance management on all contracts were monitored and reported to the executive management on a monthly basis
- Contracts of a repeatable nature, due to its nature to provide continuous service delivery, were monitored by the office and notifications for renewal were sent 6 months prior to the end date of the contract-to-contract champions
- Repeatable contracts were also included in the new Demand Management Plan for the 2021/22 financial year
- Regular monitoring and review of the supplier vendor performance to ensure compliance with specifications and contract conditions for goods or services, were conducted

## CHAPTER 2: GOVERNANCE

The following table illustrates the status of contracts during the 2020/21 financial year:

Status	Quantity
Active contracts	108
Expired contracts	62
Cancelled contracts	1
Extended contracts	18

*Table 56- Status of contracts as of 30 June 2021*

### 2.10.10 B-BBEE Compliance Performance Information

Section 121(3)(k) of the MFMA indicates that the annual report of a municipality should include any other information as may be prescribed. The Broad Based Black Economic Empowerment (B-BBEE) Act (Act 53 of 2003; as amended by Act 46 of 2013) read in conjunction with the B-BEE Regulations of 2016 states in Section 13G(1) that all spheres of government, public entities and organs of state must report on their compliance with broad-based black economic empowerment in their Annual Financial Statements and Annual Reports. In accordance with the explanatory notice (Notice 1 of 2018) issued by the B-BBEE Commission the following tables provide details on the municipality's compliance with regard to broad-based black economic empowerment:

#### a) **Management Control**

Category	Number	Race Classification		Gender		Disability
		A	0	Male	5	
Senior Management	5	C	4	Female	0	None
		W	1			

*Table 57- B-BBEE Compliance Performance Information: Management control*

#### b) **Skills Development**

Category	Number	Race Classification		Gender		Disability	Total Amount Spend
		Category	Total	Category	Total		
Black employees	294	A	91	M	201	2	R2 920 035
		C	203	F	93		
Black non-employees	0	A	0	M	0	0	0
		C	0	F	0		
Black people on internships, apprenticeship, learnership	11	A	7	M	6	0	
		C	4	F	5		

## CHAPTER 2: GOVERNANCE

Category	Number	Race Classification		Gender		Disability	Total Amount Spend
		Category	Total	Category	Total		
Unemployed black people on any programme under the learning programme matrix	0	A	0	M	0	0	0
		C	0	F	0		
Black people absorbed at end of internships, apprenticeship, learnership	0	A	0	M	0	0	0
		C	0	F	0		

*Table 58- B-BBEE Compliance Performance Information: Skills development*

### c) **Enterprise and Supplier Development**

Total Procurement Spend					
<b>Total Number of Suppliers</b>	<b>818</b>		<b>Total Value Spend</b>	R449 378 268.28	
<b>Total number of Exempt Micro Enterprises (EME's) suppliers</b>	<b>Total value spend</b>	<b>% Black Ownership</b>		<b>%Black women ownership</b>	
90	R30 792 807.67	71		16	
<b>Total number of Qualifying Small Enterprises (QSE's) suppliers</b>	<b>Total value spend</b>	<b>% Black Ownership</b>		<b>%Black women ownership</b>	
0	0	0		0	
<b>Total number of large suppliers</b>	<b>Total value spend</b>	<b>% Black Ownership</b>		<b>%Black women ownership</b>	
728	R418 585 460.61	17		9	
Total value of 2% NPAT or 0.2% of allocated budget					
<b>Total number of Exempt Micro Enterprises (EME's)</b>	<b>Total value spend</b>	<b>% Black Ownership</b>	<b>%Black women ownership</b>	<b>Location/s</b>	<b>Sector/s</b>



## CHAPTER 2: GOVERNANCE

Total Procurement Spend					
1	R9 642 182.38	100	0	Y=1	(2.15) BUSINESS ACTIVITIES: SECURITY SERVICES
Total number of Qualifying Small Enterprises (QSE's)	Total value spend	% Black Ownership	%Black women ownership	Location/s	Sector/s
0	0.00	0	0	Y=0, N=0	0
Total value of 1% NPAT or 0.1% of allocated budget					
Total number of Exempt Micro Enterprises (EME's)	Total value spend	% Black Ownership	%Black women ownership	Location/s	Sector/s
0	0.00	0	0	Y=0, N=0	0
Total number of Qualifying Small Enterprises (QSE's)	Total value spend	% Black Ownership	%Black women ownership	Location/s	Sector/s
0	0.00	0	0	Y=0, N=0	0

*Table 59- B-BBEE Compliance Performance Information: Enterprise and supplier development*

### 2.11 POLICIES AND BY-LAWS

**Section 11** of the MSA gives a Municipal Council the executive and legislative authority to pass and implement by-laws and policies.

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

Policies developed/revised	Date adopted	Resolution Number
Asset Management Policy	25 May 2021	C52/2021
Borrowing Policy	25 May 2021	C52/2021
Budget Implementation and Management Policy	25 May 2021	C52/2021
Budget Virement Policy	25 May 2021	C52/2021
Costing Containment Policy	25 May 2021	C52/2021
Costing Policy	25 May 2021	C52/2021
Credit Control and Debt Collection Policy	25 May 2021	C52/2021
Financial System User Account Management Policy	25 May 2021	C52/2021

## CHAPTER 2: GOVERNANCE

Policies developed/ revised	Date adopted	Resolution Number
Funding and Reserves Policy	25 May 2021	C52/2021
Infrastructure Investment and Capital Projects Policy	25 May 2021	C52/2021
Insurance Management Policy	25 May 2021	C52/2021
Long Term Financial Plan Policy	25 May 2021	C52/2021
Petty Cash Policy	25 May 2021	C52/2021
Property Rates Policy	25 May 2021	C52/2021
Supply Chain Management Policy	25 May 2021	C52/2021
Tariff Policy	25 May 2021	C52/2021
Task Job Evaluation Policy	28 April 2021	C49/2021
Writing-off Policy	25 May 2021	C52/2021

*Table 60- Policies*

Municipal by-laws are adopted by Council in terms of section 12 of the Local Government: Municipal Systems Act, No. 32 of 2000. In terms of section 13 thereof, a by-law takes effect when published in the Provincial Gazette, or on a future date as determined in terms of the by-law. In compliance with the Systems Act, prior to the adoption of by-laws, the Municipality follow public participation processes, affording the public the opportunity to submit comments and/or objections to the proposed by-law, which are subsequently considered by Council.

Below is a list of all the by-laws developed and reviewed during the financial year:

By-laws developed/ revised	Date adopted	Resolution Number
Zoning Scheme By-Law	25 May 2021	C57/2021

*Table 61- By-Laws*

### 2.12 WEBSITE

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

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

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

Description of information and/or document	Yes/Date Published
<b>Municipal contact details (Section 14 of the Promotion of Access to Information Act)</b>	
Full Council details	Yes (Updated as received)
Contact details of the Municipal Manager	Yes

## CHAPTER 2: GOVERNANCE

Description of information and/or document	Yes/Date Published
Contact details of the CFO	Yes
Physical address of the Municipality	Yes
Postal address of the Municipality	Yes
<b>Financial Information (Sections 53, 75, 79 and 81(1) of the MFMA)</b>	
Draft 2020/21	27 March 2020
Final 2020/21 Budget	2 June 2020
Adjustments Budget(s) 2020/21	27 August 2021; 27 November 2020; 29 January 2021; 1 March 2021
Budget Related Policies	2 June 2020
Draft 2020/21 SDBIP	31 March 2020
Final 2020/21 SDBIP	7 July 2020
<b>IDP and Public Participation (Section 25(4)(b) of the MSA and Section 21(1)(b) of the MFMA)</b>	
IDP & Budget Time Schedule / Process Plan for 2020/21	Yes
Draft 2020/21 IDP	31 March 2020
Final 2020/21 IDP	25 May 2020
<b>Supply Chain Management (Sections 14(2), 33, 37 and 75(1)(e) and (f) and 120(6)(b) of the MFMA and Section 18(a) of the National SCM Regulation)</b>	
List of capital assets that have been disposed	Yes
<b>Reports (Sections 52(d), 71, 72 and 75(1)(c) and 129(3) of the MFMA)</b>	
Draft 2019/20 Annual Report	31 March 2021
Final 2019/20 Annual Report	30 April 2021
2019/20 Oversight Report	30 April 2021
Mid-year budget and performance assessment	Yes
Quarterly Reports	Yes
<b>Performance Management (Section 75(1)(d) of the MFMA)</b>	
Initial Performance Agreements and Annexures for employees appointed as per S57 of MSA (2020/21)	17 July 2020
Amended Performance Agreements and/or Amended Annexures A for employees appointed as per S57 of MSA (2020/21)	12 March 2021
<b>Assurance Functions (Sections 62(1), 165 and 166 of the MFMA)</b>	
Audit Committee Charter	6 November 2019
Risk Management Policy	11 July 2019

*Table 62- Website checklist*

## CHAPTER 2: GOVERNANCE

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### 2.13 COMMUNICATION

Local Government has a legal obligation to ensure regular and effective communication with the community.

BVM's communication function is aligned with and supports the IDP. It informs and engages the public in terms of developmental local government principles.

Communication forms an integral part of public participation, serving as the vehicle by which public participation is enabled. It involves the provision of customer orientated services and building capacity for citizens to provide the municipality with feedback to improve these services.

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

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

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

- Regular media feedback – print, electronic and social media
- Greater focus on social media interaction
- Placement of information including all compliance documents in terms of MFMA on municipal webpage
- Meetings of Council (under alert-level 4, prohibiting public gatherings, Council meetings were conducted virtually via Microsoft Teams – allowing more community members to attend the virtual meetings. As alert-levels were reduced, and adjusted public gatherings permitted, a hybrid model was followed which made provision for virtual as well as physical attendance)
- Newsletters (during the Covid-19 pandemic, printed newsletters were predominantly replaced by electronic media placements)
- Pamphleteering and social media to disseminate information on service delivery
- Loud hailing
- Save water/electricity campaign
- Social media campaign to highlight, explain and address service delivery issues such as cable theft, illegal dumping of refuse, damage to sewerage system due to ignorance and deliberate sabotage of the system and vandalism of municipal infrastructure
- In loco inspections in the different wards by senior personnel to familiarise themselves of problems in communities and pre-empt possible challenges in future.

## CHAPTER 2: GOVERNANCE

- Communication during the Covid-lockdown primarily comprised social media and website placements, as well as loud hailing and distributing pamphlets and posters as provided by the National- and Provincial government respectively.

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

### 2.13.1 Communication activities

Communication activities	Yes/No	Date Approved/Completed
Communication Strategy	Yes	October 2013 (in process of review)
Communication Policy	Yes	October 2013 (in process of review)

Table 63- Communication activities

### 2.13.2 Communication unit

During the prior financial period (2019/20), the Manager Customer Care, Communication, Corporate Branding & IGR as well as Communication Officer exited the organisation. This subsequently resulted in two critical vacancies within the department. The timing of the vacancies coincided with the outbreak of the Covid-19 pandemic and subsequent pressure exerted on the financial sustainability of municipalities due to lower revenue collection rates. To safeguard municipal financial sustainability, an executive decision was taken to curb all discretionary funding items (including vacancies – unless directly related to a service delivery function). On this premise, the operational responsibilities and duties were predominantly reassigned to the Support Officer Communications, in support of the Director Strategic Support Services and managers within the directorate delegated to assist with managerial functions as needed. Given the increased need for- and importance of municipal communication services, specifically during the Covid-19 pandemic, the department managed to operate and perform under extreme pressure.

In January 2021, Council approved amendments to the macro-organisational structure, which came into effect from 1 February 2021. The resolution included amendments to the Communications department (as indicated in the table below). It was resolved that (amongst others) the Communications department merge with the IDP & PMS department, hence addressing the vacancy within the management echelon. However, critical expertise at the middle-management echelon remained absent and imperative to address. Subsequently, a process was initiated to appoint a temporary Communications Officer over a short-term period (i.e. 6-month contract) whilst simultaneously embarking on a process to advertise and fill the position permanently. The department envisage to conclude both processes within the first half of 2021/22.

## CHAPTER 2: GOVERNANCE

	Yes/No	Number of people in the Unit as per organogram (pre 1 February 2021)	Job titles (as at 31 January 2021)	Number of people in the Unit as per organogram (post 1 February 2021)	Job titles (as at 1 February 2021)
<b>Communication Unit</b>	Yes	3	Manager: Customer Care, Communication, Corporate Branding and IGR (Vacant)	3	Manager: IDP / PMS / Communication and IGR
			Communications Officer (Vacant)		Communications Officer (Vacant)
			Support Officer Communications		Support Officer Communications
			Administration Officer Translations		Administration Officer Translations
			Officer: Call Centre		

*Table 64- Communication unit*



# Chapter 3



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

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### 3.1 PERFORMANCE MANAGEMENT

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

#### 3.1.1 Organisational performance

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

- The 2020/21 Top Layer SDBIP was approved by the Executive Mayor on 24 June 2020 and the information was loaded on an electronic web-based system.
- The web-based system sends automated e-mails to the users of the system as a reminder to all staff responsible for updating their actual performance against key performance indicator targets by the 20<sup>th</sup> of every month for the previous month's performance.
- Additionally, the performance system administrator circulates monthly reminders to remind all departments to update their actual performance on the web-based system.
- The actual results against monthly targets set, are discussed in the monthly management meetings to determine early warning indicators and discuss corrective measures if needed.
- The first quarterly report on the implementation of the budget was approved by the Executive Mayor in October 2020 and served before Council on 27 October 2020. The second quarterly report formed part of the Section 72 report in terms of the MFMA. This report was submitted to the Executive Mayor for approval during January 2021 and served before Council on 26 January 2021. The third quarterly report was approved by the Executive Mayor in April 2021 and served before Council on 28 April 2021. The fourth quarterly report was approved by the Executive Mayor in July 2021 and served before Council on 27 July 2021.
- Internal Audit audits the performance measurements of the Municipality on a continuous basis as prescribed by the relevant legislation, which includes submission of reports on a quarterly basis to the Municipal Manager and Performance Audit Committee.
- The Performance Audit Committee reviews the Municipality's performance management system, which includes the quarterly reports produced and submitted by Internal Audit. The quarterly reports were submitted to the Committee on 15 February 2021 and 24 May 2021 respectively. The 4<sup>th</sup> Quarter Performance Report is anticipated to serve before the Performance Audit Committee in August 2021.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

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### 3.1.2 Individual performance

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

The MSA prescribes that the municipality must enter into performance-based agreements with S57-employees and that performance agreements must be reviewed annually. This process and format is further regulated by Regulation 805 (August 2006). The performance agreements for the 2020/21 financial year were signed within a month after the commencement of the new financial year (i.e. before 31 July 2020) as prescribed by legislation.

The appraisal of the actual performance in terms of the signed agreements takes place twice per annum as regulated. The mid-year evaluation of the 2020/21 financial year (1 July 2020 to 31 December 2020) took place on 10 February 2021, whilst the final evaluation pertaining to the 2020/21 financial year has been scheduled on the 3<sup>rd</sup> of November 2021. The date is subject to change, based on the forthcoming local government elections and availability of panel members (specifically Mayoral Executive Committee members).

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

- Executive Mayor
- Municipal Manager
- External Municipal Manager
- Chairperson of the Audit Committee
- Mayoral Executive Committee members
- PM unit provided administrative and logistical support
- Internal audit monitored that the process was fair and transparent and conforming to relevant legal prescripts

### 3.2 THE IDP AND THE BUDGET

The 3<sup>rd</sup> review of the 4th generation IDP for 2017/22, which encapsulates and elaborates on the strategic planning perspectives for 2020/21, was approved on 28 May 2020 (Resolution number C27/2020) whilst the budget for 2020/21 was also approved by Council on 28 May 2020 (Resolution number C28/2020). The IDP process and the performance management process are integrated. The IDP fulfils the planning stage of performance management. Performance management in turn, fulfils the implementation, management, monitoring and evaluation of the IDP.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.2.1 Strategic alignment

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

Strategic objective	Capital Budget		Operational Budget (Opex)	
	Total budget	Total actual expenditure	Total budget	Total actual expenditure
	R			
To provide, maintain and assure basic services and social upliftment for the Breede Valley community	123 387 438	115 210 616	738 573 636	731 460 443
To create an enabling environment for employment and poverty eradication through proactive economic development and tourism	0	0	7 599 014	6 259 218
To ensure a safe, healthy, clean and sustainable external environment for all the residents in the Breede Valley	2 375 774	1 847 574	140 533 833	135 679 820
Provide democratic, accountable government for local communities and encourage involvement of communities and community organisations in the matters of local government	4 085 614	3 842 280	109 686 817	107 220 615
Ensure a healthy and productive workforce and an effective and efficient work environment	0	0	13 323 836	13 725 057
Assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practices	5 369 929	3 687 216	85 317 881	76 931 814
<b>Total</b>	<b>135 218 755</b>	<b>124 587 687</b>	<b>1 095 035 017</b>	<b>1 071 276 967</b>

Table 65- Budget spending per strategic objective

### 3.3 INTRODUCTION TO SERVICE DELIVERY PERFORMANCE

This chapter provides an overview of the key service achievements of the municipality that came to fruition during 2020/21 in terms of the deliverables achieved compared to the key performance objectives and indicators in the IDP. It furthermore includes an overview on achievement in 2020/21 compared to actual performance in 2019/20.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.4 STRATEGIC SDBIP (TOP LAYER)

#### 3.4.1 Performance indicators set in the approved Top Layer SDBIP for 2020/21 per strategic objective

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

Ref	KPI Name	Unit of Measurement	Wards	2019/20		Target for 2020/21				
				Target	Actual	Q1	Q2	Q3	Q4	Annual
TL4	The percentage of the municipal capital budget spent on projects as at 30 June 2021 (Actual amount spent on capital projects/Total amount budgeted for capital projects)X100	% of the municipal capital budget spent	All	95%	80.55%	0.00%	30.00%	60.00%	90.00%	<b>90.00%</b>
TL14	Provide free basic water to indigent households earning less than R4500 as at 30 June 2021	Number of indigent households receiving free basic water	All	8700	8891	0	0	0	9 200	<b>9 200</b>
TL15	Provide free basic electricity to indigent households earning less than R4500 as at 30 June 2021	Number of indigent households receiving free basic electricity	All	8700	8891	0	0	0	9 200	<b>9 200</b>
TL16	Provide free basic sanitation to indigent households earning less than R4500 as at 30 June 2021	Number of indigent households receiving free basic sanitation	All	8700	8891	0	0	0	9 200	<b>9 200</b>
TL17	Provide free basic refuse removal to indigent households earning less than R4500 as at 30 June 2021	Number of indigent households receiving free basic refuse removal	All	8700	8891	0	0	0	9 200	<b>9 200</b>
TL18	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2021	% of debt coverage	All	45%	18.46%	0.00%	0.00%	0.00%	45.00%	<b>45.00%</b>

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI Name	Unit of Measurement	Wards	2019/20		Target for 2020/21				
				Target	Actual	Q1	Q2	Q3	Q4	Annual
	(Short Term Borrowing + Long Term Borrowing ) / (Total Operating Revenue - Operating Conditional Grant) x 100									
TL19	Financial viability measured in terms of the outstanding service debtors as at 30 June 2021 ((Total outstanding service debtors/ revenue received for services)X100)	% of outstanding service debtors	All	16.50%	15.66%	0.00%	0.00%	0.00%	16.50%	<b>16.50%</b>
TL20	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2021 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excl Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	Number of months it takes to cover fix operating expenditure with available cash	All	1.5	2.05	0	0	0	1.5	<b>1.5</b>
TL23	Submit the approved financial statements for 2019/20 to the Auditor-General by 31 October 2020	Approved financial statements for 2019/20 submitted to the AG	All	1	1	0	1	0	0	<b>1</b>
TL24	Achieve a payment percentage of above 95% as at 30 June 2021 (Gross Debtors Opening Balance	% Payment achieved	All	95%	93.22%	0.00%	0.00%	0.00%	95.00%	<b>95.00%</b>

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI Name	Unit of Measurement	Wards	2019/20		Target for 2020/21				
				Target	Actual	Q1	Q2	Q3	Q4	Annual
	+ Billed Revenue -Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue) x 100									
TL25	Review the MGRO Clean Audit Plan and submit to the Municipal Manager by 30 April 2021	Letter signed off by the Municipal Manager that MGRO Clean Audit Plan was reviewed and submitted	All	1	1	0	0	0	1	1
TL26	Achieve an unqualified audit for the 2019/20 financial year by 28 February 2021	Audit report signed by the Auditor- General for 2019/2020	All	1	1	0	0	1	0	1

Table 66- Top Layer SDBIP targets set for 2020/21: Assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practices

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

Ref	KPI Name	Unit of Measurement	Wards	2019/20		Target for 2020/21				
				Target	Actual	Q1	Q2	Q3	Q4	Annual
TL6	Number of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan and organisational structure during the 2020/21 financial year	Number of people employed in the three highest levels of management	All	2	2	0	0	0	2	2
TL7	The percentage of the municipality's personnel budget spent on implementing its workplace skills plan by 30 June 2021	% of the budget spent	All	1%	0.74%	0.00%	0.00%	0.00%	1.00%	1.00%
TL8	Limit vacancy rate to 15% of budgeted posts	% vacancy rate	All	15%	20.62%	0.00%	0.00%	0.00%	15.00%	15.00%

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI Name	Unit of Measurement	Wards	2019/20		Target for 2020/21				
				Target	Actual	Q1	Q2	Q3	Q4	Annual
	by 30 June 2021 [(Number of funded posts vacant divided by budgeted funded posts)x100)									

Table 67- Top Layer SDBIP targets set for 2020/21: Ensure a healthy and productive workforce and an effective and efficient work environment

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

Ref	KPI Name	Unit of Measurement	Wards	2019/20		Target for 2020/21				
				Target	Actual	Q1	Q2	Q3	Q4	Annual
TL1	Compile a Risk Based Audit Plan and submit to the Audit Committee by 30 June 2021	RBAP submitted to the Audit Committee	All	1	1	0	0	0	1	1
TL2	Compile a strategic risk report and submit to Council by 31 May 2021	Strategic risk report submitted to Council	All	1	1	0	0	0	1	1

Table 68- Top Layer SDBIP targets set for 2020/21: Provide democratic, accountable government for local communities and encourage involvement of communities and community organizations in the matters of local government

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

Ref	KPI Name	Unit of Measurement	Wards	2019/20		Target for 2020/21				
				Target	Actual	Q1	Q2	Q3	Q4	Annual
TL5	The number of FTE's created through the EPWP programme by 30 June 2021	Number of FTE's created through the EPWP programme by 30 June 2021	All	312	259.93	38.74	38.74	38.74	38.74	154.96
TL9	Sign service level agreements (SLA's) with 4 Local Tourism Associations (LTA's) for their annual tourism operational expenditure by 30 September 2020	Number of SLA's signed by 30 September 2020	All	3	3	4	0	0	0	4

Table 69- Top Layer SDBIP targets set for 2020/21: To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

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

Ref	KPI Name	Unit of Measurement	Wards	2019/20		Target for 2020/21				
				Target	Actual	Q1	Q2	Q3	Q4	Annual
TL41	Spend 90% of capital budget allocated towards the construction speedhumps throughout the municipal area by 30 June 2021	% of capital budget spent	All	New performance indicator for 2020/21. No comparatives available		0.00%	30.00%	60.00%	90.00%	<b>90.00%</b>
TL42	Plan & conduct 10 roadblocks by 30 June 2021	Number of roadblocks conducted by 30 June 2021	All	New performance indicator for 2020/21. No comparatives available		0	0	4	6	<b>10</b>
TL43	Review the Disaster Management Plan and submit to Council by 31 March 2021	Disaster Management Plan reviewed & submitted to Council	All	1	1	0	0	1	0	<b>1</b>
TL44	Compile a Municipal Rental Unit Maintenance Plan and submit to Council by 30 June 2021	Plan compiled & submitted to Council by 30 June 2021	10; 14; 16; 18; 6; 8	New performance indicator for 2020/21. No comparatives available		0	0	0	1	<b>1</b>

Table 70- Top Layer SDBIP targets set for 2020/21: To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people

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

Ref	KPI Name	Unit of Measurement	Wards	2019/20		Target for 2020/21				
				Target	Actual	Q1	Q2	Q3	Q4	Annual
TL3	Spend 90% of the budget allocated for the Regional Socio Economic Programme by 30 June 2021 {(Actual expenditure divided by the total approved capital budget) x 100}	% of budget spent	1; 10; 11; 12; 13; 14; 16; 17; 18; 21; 3; 4; 8; 9	90%	88.11%	0.00%	30.00%	60.00%	90.00%	<b>90.00%</b>
TL10	Number of formal	Number of residential	All	20890	21259	0	0	0	21 260	<b>21 260</b>



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI Name	Unit of Measurement	Wards	2019/20		Target for 2020/21				
				Target	Actual	Q1	Q2	Q3	Q4	Annual
	residential properties that are billed for water as at 30 June 2021	properties that are billed for residential consumption water meters charged residential domestic tariffs or residential flat rate tariffs using an erf as a household except municipal rental flats which will be measured by using the number of rental units.								
TL11	Number of residential properties which are billed for electricity or have pre-paid meters (excluding Eskom Electricity supplied properties) as at 30 June 2021	Number of residential properties that are billed for electricity or have pre-paid meters, charged on the residential tariffs for consumption and residential prepaid tariffs	All	22580	22532	0	0	0	22 580	<b>22 580</b>
TL12	Number of formal residential properties that are billed for sanitation/sewage services as at 30 June 2021	Number of residential properties that are billed for residential sewerage tariffs using the erf as property	All	18620	18646	0	0	0	18 650	<b>18 650</b>
TL13	Number of formal residential properties that are billed for refuse removal as at 30 June 2021	Number of residential properties that are billed for refuse removal residential tariffs using the erf as a property	All	18795	18823	0	0	0	18 900	<b>18 900</b>
TL21	Limit unaccounted electricity losses to less than 10% by 30 June 2021 {(Number of Electricity Units Purchased - Number of Electricity Units Sold) / (Number of Electricity Units	% unaccounted for electricity	All	10%	5.41%	0.00%	0.00%	0.00%	10.00%	<b>10.00%</b>

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI Name	Unit of Measurement	Wards	2019/20		Target for 2020/21				
				Target	Actual	Q1	Q2	Q3	Q4	Annual
	Purchased) x100}									
TL22	Limit unaccounted water losses to less than 25% by 30 June 2021 {(Number of kilolitres water available from reservoirs - number of kilolitres water sold) / (number of kilolitres water purchased or purified) x 100}	% unaccounted for water	All	21%	31.12%	0.00%	0.00%	0.00%	25.00%	<b>25.00%</b>
TL29	Complete beneficiary allocation for the Transhex Human Settlement Project by 30 June 2021 (Beneficiary allocation linked to approved business plan - 800 units prioritised in 2020/21)	Number of units allocated	All	700	702	0	0	0	800	<b>800</b>
TL30	Construct a youth café facility in Van Huysteenlaan by 30 June 2021	Youth cafe facility constructed	11	New performance indicator for 2020/21. No comparatives available		0	0	0	1	<b>1</b>
TL31	Achieve 95% average water quality level as measured per SANS 241 criteria during the 2020/21 financial year	% water quality level per quarter	All	95%	96.50%	95.00%	95.00%	95.00%	95.00%	<b>95.00%</b>
TL32	Develop the 4th Generation Integrated Waste Management Plan, submit it to Council for approval by 31 May 2021, and subsequently include it as sector input in the 2021/22 IDP	Plan developed, submitted to Council for approval by 31 May 2021, and subsequently included as sector input in the 2021/22 IDP	All	1	0	0	0	0	1	<b>1</b>

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI Name	Unit of Measurement	Wards	2019/20		Target for 2020/21				
				Target	Actual	Q1	Q2	Q3	Q4	Annual
TL33	Review 5 year Water Service Development Plan (WSDP) and submit to Council for approval by 31 May 2021	Reviewed WSDP submitted to Council by 31 May 2021	All	1	1	0	0	0	1	<b>1</b>
TL34	80% of sewerage samples comply with effluent standard during the 2020/21 financial year {(Number of sewerage samples that comply with General Authorisation/Number of sewerage samples tested)x100}	% of sewerage samples compliant	All	80%	75.87%	80.00%	80.00%	80.00%	80.00%	<b>80.00%</b>
TL35	Spend 90% of the electricity capital budget by 30 June 2021 {(total actual capital project expenditure/total capital project budget) x 100}	% of the electricity capital project budget spent	All	90%	56.93%	0.00%	30.00%	60.00%	90.00%	<b>90.00%</b>
TL36	Spend 90% of the electricity maintenance budget by 30 June 2021 {(total actual maintenance expenditure/total maintenance budget) x 100}	% of the electricity maintenance budget spent	All	90%	46.62%	0.00%	30.00%	60.00%	90.00%	<b>90.00%</b>
TL37	Achieve 90% of capital budget spent on the resurfacing of roads by 30 June 2021	% of capital budget spent	All	90%	79.97%	0.00%	30.00%	60.00%	90.00%	<b>90.00%</b>
TL39	Spend 90% of capital budget allocated for the construction of the Zwelethemba municipal swimming pool	% of capital budget spent	16; 17; 18; 8	90%	72.64%	0.00%	6.00%	0.00%	90.00%	<b>90.00%</b>

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI Name	Unit of Measurement	Wards	2019/20		Target for 2020/21				
				Target	Actual	Q1	Q2	Q3	Q4	Annual
	by 30 June 2021									
TL40	Complete serviced sites for the Transhex Human Settlements Project phase 1.3 by 30 June 2021	Number of serviced sites completed in phase 1.3 by 30 June 2021	All	413 (Phase 1.2)	527 (Phase 1.2)	0	0	0	662	<b>662</b>

Table 71- Top Layer SDBIP targets set for 2020/21: To provide and maintain basic services and ensure social upliftment of the Breede Valley community

### 3.4.2 Overall actual strategic performance for 2020/21

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

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

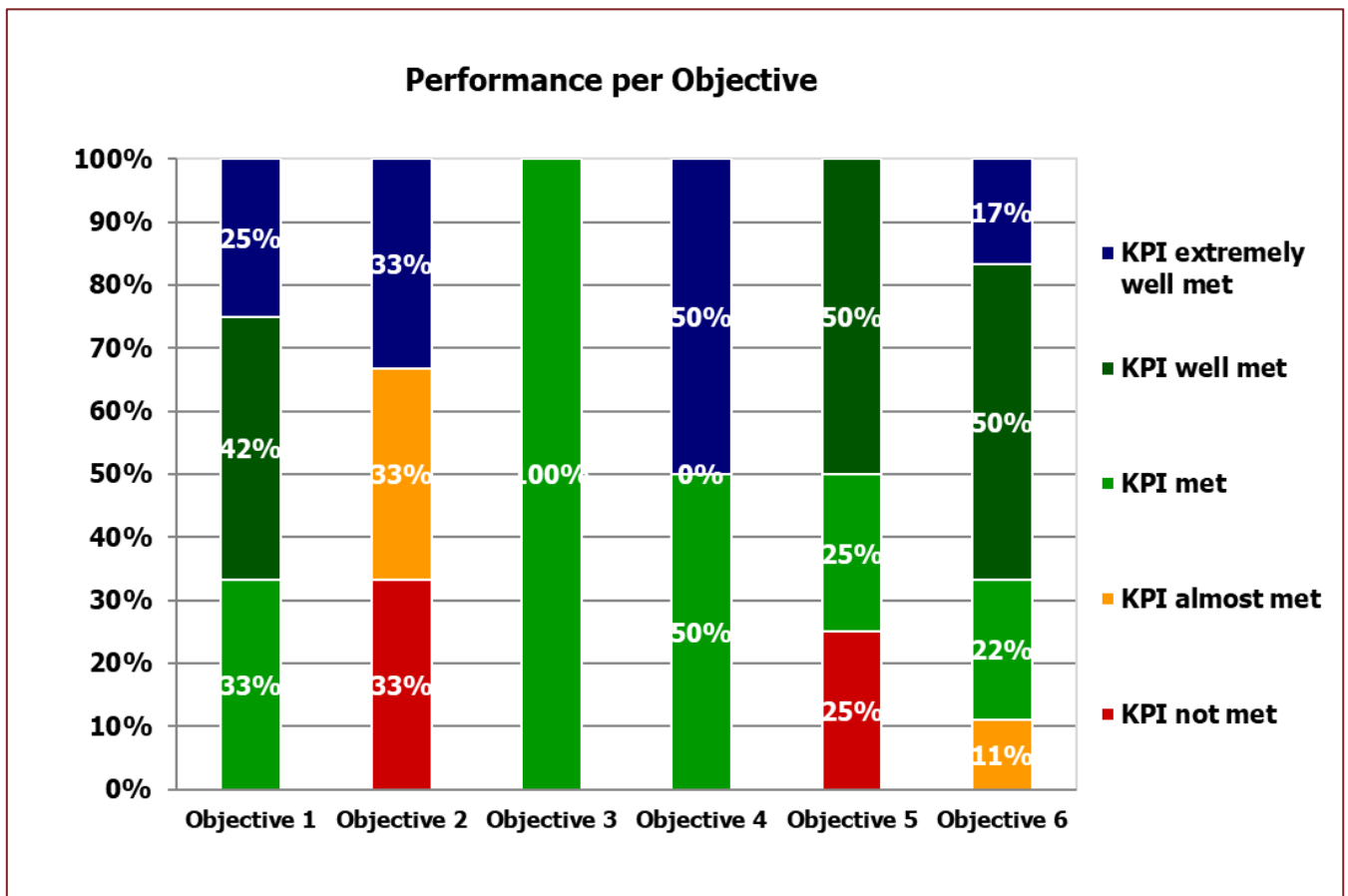
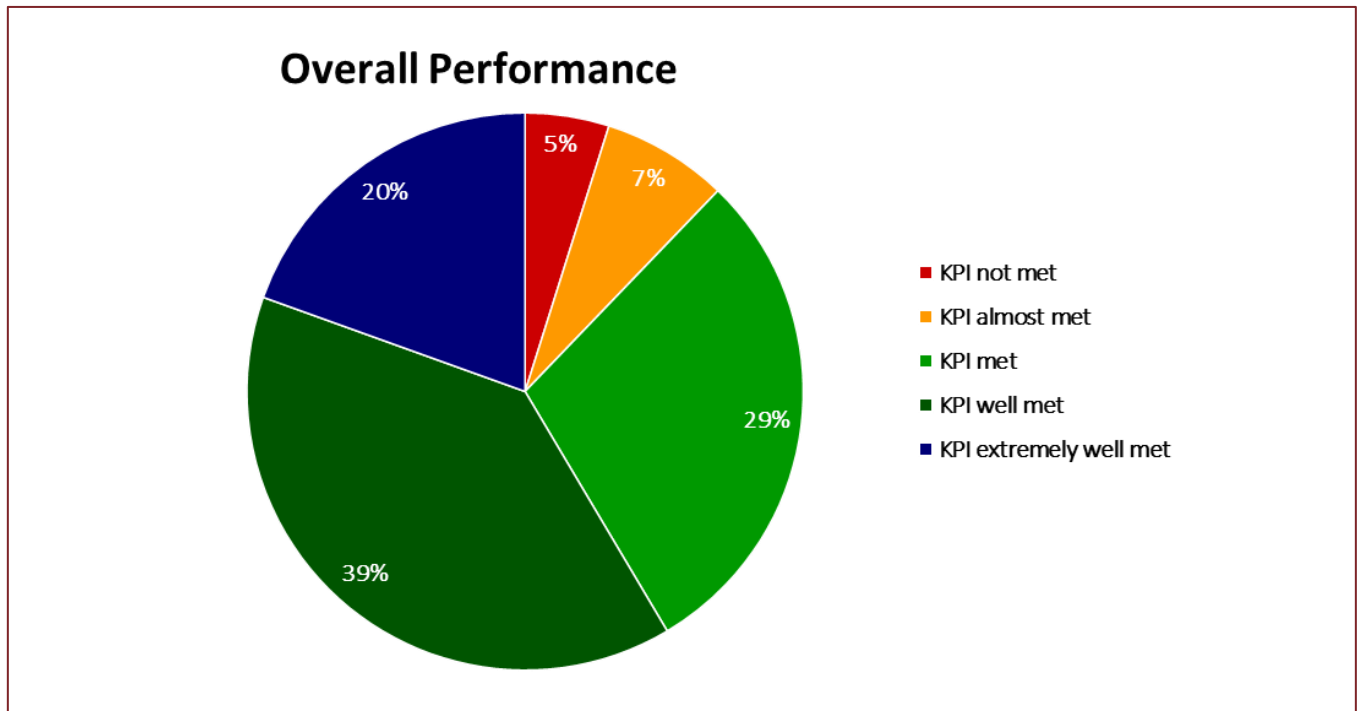
**The following table explains the method by which the overall assessment of actual performance against targets set for the key performance indicators (KPI's) of the SDBIP, are measured:**

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

Table 72- SDBIP measurement categories

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

The graph below displays the overall performance per strategic objective for 2020/21:



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Measurement Category	Objective 1	Objective 2	Objective 3	Objective 4	Objective 5	Objective 6	Total
	Assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practices	Ensure a healthy and productive workforce and an effective and efficient work environment	Provide democratic, accountable government for local communities and encourage involvement of communities and community organizations in the matters of local government	To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism	To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people	To provide and maintain basic services and ensure social upliftment of the Breede Valley community	
KPI Not Met	0	1	0	0	1	0	2
KPI Almost Met	0	1	0	0	0	2	3
KPI Met	4	0	2	1	1	4	12
KPI Well Met	5	0	0	0	2	9	16
KPI Extremely Well Met	3	1	0	1	0	3	8
<b>Total</b>	<b>12</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>4</b>	<b>18</b>	<b>41</b>

Graph 5: Overall strategic performance for 2020/21 per strategic objective

### 3.4.3 Detail actual strategic performance for 2020/21 and corrective measures that will be implemented per strategic objective

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

Ref	KPI	Unit of Measurement	Wards	2019/20 Actual	Target					Overall performance for 2020/21	
					Q1	Q2	Q3	Q4	Target	Actual	
TL4	The percentage of the municipal capital budget spent on projects as at 30 June 2021 (Actual amount spent on capital projects/Total amount budgeted for capital projects)X100	% of the municipal capital budget spent	All	80.55%	0.00%	30.00%	60.00%	90.00%	90.00%	92.14%	G2
TL14	Provide free basic water to indigent households earning less than R4500 as at 30 June 2021	Number of indigent households receiving free basic water	All	8891	0	0	0	9 200	9 200	9 556	G2
TL15	Provide free basic electricity to indigent households earning less than	Number of indigent households receiving free basic electricity	All	8891	0	0	0	9 200	9 200	9 556	G2

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI	Unit of Measurement	Wards	2019/20 Actual	Target					Overall performance for 2020/21	
					Q1	Q2	Q3	Q4	Target	Actual	
	R4500 as at 30 June 2021										
TL16	Provide free basic sanitation to indigent households earning less than R4500 as at 30 June 2021	Number of indigent households receiving free basic sanitation	All	8891	0	0	0	9 200	<b>9 200</b>	<b>9 556</b>	G2
TL17	Provide free basic refuse removal to indigent households earning less than R4500 as at 30 June 2021	Number of indigent households receiving free basic refuse removal	All	8891	0	0	0	9 200	<b>9 200</b>	<b>9 556</b>	G2
TL18	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2021 (Short Term Borrowing + Long Term Borrowing) / (Total Operating Revenue - Operating Conditional Grant) x 100	% of debt coverage	All	18.46%	0.00%	0.00%	0.00%	45.00%	<b>45.00%</b>	<b>18.28%</b>	B
TL19	Financial viability measured in terms of the outstanding service debtors as at 30 June 2021 ((Total outstanding service debtors/ revenue received for services)X100)	% of outstanding service debtors	All	15.66%	0.00%	0.00%	0.00%	16.50%	<b>16.50%</b>	<b>14.48%</b>	B

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI	Unit of Measurement	Wards	2019/20 Actual	Target					Overall performance for 2020/21	
					Q1	Q2	Q3	Q4	Target	Actual	
TL20	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2021 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excl Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	Number of months it takes to cover fix operating expenditure with available cash	All	2.05	0	0	0	1.5	1.5	2.58	B
TL23	Submit the approved financial statements for 2019/20 to the Auditor-General by 31 October 2020	Approved financial statements for 2019/20 submitted to the AG	All	1	0	1	0	0	1	1	G
TL24	Achieve a payment percentage of above 95% as at 30 June 2021 (Gross Debtors Opening Balance + Billed Revenue -Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue) x 100	% Payment achieved	All	93.22%	0.00%	0.00%	0.00%	95.00%	95.00%	95.00%	G
TL25	Review the MGRO Clean Audit Plan and submit to the Municipal Manager by 30 April 2021	Letter signed off by the Municipal Manager that MGRO Clean Audit Plan was reviewed and submitted	All	1	0	0	0	1	1	1	G
TL26	Achieve an unqualified audit for the 2019/20 financial year by	Audit report signed by the Auditor-General for 2019/2020	All	1	0	0	1	0	1	1	G



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI	Unit of Measurement	Wards	2019/20 Actual	Target					Overall performance for 2020/21	
					Q1	Q2	Q3	Q4	Target	Actual	
	28 February 2021										

Table 73- Assure a sustainable future through sound financial management, continuous revenue growth, corporate governance and risk management practices

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

Ref	KPI	Unit of Measurement	Wards	2019/20 Actual	Target					Overall performance for 2020/21	
					Q1	Q2	Q3	Q4	Target	Actual	
TL6	Number of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan and organisational structure during the 2020/21 financial year	Number of people employed in the three highest levels of management	All	2	0	0	0	2	2	3	B
TL7	The percentage of the municipality's personnel budget spent on implementing its workplace skills plan by 30 June 2021	% of the budget spent	All	0.74%	0.00%	0.00%	0.00%	1.00%	1.00%	0.90%	O
<b>Corrective action</b>		<p>0.90% of the total personnel budget spent on implementing the Workplace Skills Plan by 30 June 2021. Although the target of 1% has not been met, the 2020/21 performance marks a significant improvement from the previous financial year (i.e. 0.74% spent by 30 June 2020). The underperformance may be ascribed to practical training (e.g. first aid, digger loader &amp; cherry picker operating, etc.) that could not be rolled-out as the nature thereof was in contradiction with Covid-19 regulations.</p> <p>The department will continuously identify and prioritise innovative means of implementing the Workplace Skills Plan (e.g. focused training, virtual training, internal municipal bursary programme), whilst taking cognisance of Covid-19 regulations and restrictions. In addition, regular monitoring of the key implementation deliverables contained in the Workplace Skills Plan, will be prioritised to expedite the training programme</p>									
TL8	Limit vacancy rate to 15% of budgeted posts by 30 June 2021 [(Number of funded posts vacant divided by budgeted funded posts)x100)	% vacancy rate	All	20.62%	0.00%	0.00%	0.00%	15.00%	15.00%	15.63%	R

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI	Unit of Measurement	Wards	2019/20 Actual	Target					Overall performance for 2020/21	
					Q1	Q2	Q3	Q4	Target	Actual	
<b>Corrective action</b>		<p>The municipality recorded a 15.63% vacancy rate, which marks a significant improvement from the previous reporting period (i.e. 20.62% as at 30 June 2020). Covid-19 continued to adversely influence recruitment processes and may be regarded as a direct contributor to the target not being met.</p> <p>The Manager: Human Resources was appointed on 1 October 2020. This strategic appointment yielded many positive outcomes, specifically in the context of recruitment processes (whilst taking cognisance of the challenges presented by Covid-19). These processes will, in accordance with available resources, continuously be prioritised and expedited to ensure that vacancies are filled within a reasonable turn-around time</p>									

Table 74- Ensure a healthy and productive workforce and an effective and efficient work environment

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

Ref	KPI	Unit of Measurement	Wards	2019/20 Actual	Target					Overall performance for 2020/21	
					Q1	Q2	Q3	Q4	Target	Actual	
TL1	Compile a Risk Based Audit Plan and submit to the Audit Committee by 30 June 2021	RBAP submitted to the Audit Committee	All	1	0	0	0	1	1	1	G
TL2	Compile a strategic risk report and submit to Council by 31 May 2021	Strategic risk report submitted to Council	All	1	0	0	0	1	1	1	G

Table 75- Provide democratic, accountable government for local communities and encourage involvement of communities and community organizations in the matters of local government

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

Ref	KPI	Unit of Measurement	Wards	2019/20 Actual	Target					Overall performance for 2020/21	
					Q1	Q2	Q3	Q4	Target	Actual	
TL5	The number of FTE's created through the EPWP programme by 30 June 2021	Number of FTE's created through the EPWP programme by 30 June 2021	All	259.93	38.74	38.74	38.74	38.74	154.96	310.11	B
TL9	Sign service level agreements (SLA's) with 4 Local Tourism Associations (LTA's) for their annual tourism operational	Number of SLA's signed by 30 September 2020	All	3	4	0	0	0	4	4	G

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI	Unit of Measurement	Wards	2019/20 Actual	Target					Overall performance for 2020/21	
					Q1	Q2	Q3	Q4	Target	Actual	
	expenditure by 30 September 2020										

Table 76- To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism'

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

Ref	KPI	Unit of Measurement	Wards	2019/20 Actual	Target					Overall performance for 2020/21	
					Q1	Q2	Q3	Q4	Target	Actual	
TL41	Spend 90% of capital budget allocated towards the construction speedhumps throughout the municipal area by 30 June 2021	% of capital budget spent	All	New performance indicator for 2020/21. No comparatives available	0.00%	30.00%	60.00%	90.00%	90.00%	100%	G2
TL42	Plan & conduct 10 roadblocks by 30 June 2021	Number of roadblocks conducted by 30 June 2021	All	New performance indicator for 2020/21. No comparatives available	0	0	4	6	10	11	G2
TL43	Review the Disaster Management Plan and submit to Council by 31 March 2021	Disaster Management Plan reviewed & submitted to Council	All	1	0	0	1	0	1	1	G
TL44	Compile a Municipal Rental Unit Maintenance Plan and submit to Council by 30 June 2021	Plan compiled & submitted to Council by 30 June 2021	10; 14; 16; 18; 6; 8	New performance indicator for 2020/21. No comparatives available	0	0	0	1	1	0	R
<b>Corrective action</b>		The plan has been compiled but not submitted to Council, as no Council meeting was scheduled in June 2021 . The plan will be submitted to Council within the 2021/2022 financial year (by no later than December 2021)									

Table 77- To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

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

Ref	KPI	Unit of Measurement	Wards	2019/20 Actual	Target					Overall performance for 2020/21	
					Q1	Q2	Q3	Q4	Target	Actual	
TL3	Spend 90% of the budget allocated for the Regional Socio Economic Programme by 30 June 2021 {(Actual expenditure divided by the total approved capital budget) x 100}	% of budget spent	1; 10; 11; 12; 13; 14; 16; 17; 18; 21; 3; 4; 8; 9	88.11%	0.00%	30.00%	60.00%	90.00%	<b>90.00%</b>	<b>92.57%</b>	G 2
TL10	Number of formal residential properties that are billed for water as at 30 June 2021	Number of residential properties that are billed for residential consumption water meters charged residential domestic tariffs or residential flat rate tariffs using an erf as a household except municipal rental flats which will be measured by using the number of rental units.	All	21259	0	0	0	21 260	<b>21 260</b>	<b>21 370</b>	G 2
TL11	Number of residential properties which are billed for electricity or have pre-paid meters (excluding Eskom Electricity supplied properties) as at 30 June 2021	Number of residential properties that are billed for electricity or have pre-paid meters, charged on the residential tariffs for consumption and residential prepaid tariffs	All	22532	0	0	0	22 580	<b>22 580</b>	<b>24 539</b>	G 2
TL12	Number of formal	Number of residential	All	18646	0	0	0	18 650	<b>18 650</b>	<b>19 138</b>	G 2

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI	Unit of Measurement	Wards	2019/20 Actual	Target					Overall performance for 2020/21	
					Q1	Q2	Q3	Q4	Target	Actual	
	residential properties that are billed for sanitation/sewage services as at 30 June 2021	properties that are billed for residential sewerage tariffs using the erf as property									
TL13	Number of formal residential properties that are billed for refuse removal as at 30 June 2021	Number of residential properties that are billed for refuse removal residential tariffs using the erf as a property	All	18823	0	0	0	18 900	<b>18 900</b>	<b>19 178</b>	G 2
TL21	Limit unaccounted electricity losses to less than 10% by 30 June 2021 {(Number of Electricity Units Purchased - Number of Electricity Units Sold) / (Number of Electricity Units Purchased) x100}	% unaccounted for electricity	All	5.41%	0.00%	0.00%	0.00%	10.00%	<b>10.00%</b>	<b>7.05%</b>	B
TL22	Limit unaccounted water losses to less than 25% by 30 June 2021 {(Number of kilolitres water available from reservoirs - number of kilolitres water sold) / (number of kilolitres water purchased or purified) x 100}	% unaccounted for water	All	31.12%	0.00%	0.00%	0.00%	25.00%	<b>25.00%</b>	<b>24.28%</b>	B
TL29	Complete beneficiary allocation for the Transhex Human Settlement Project by 30	Number of units allocated	All	702	0	0	0	800	<b>800</b>	<b>1 242</b>	B

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI	Unit of Measurement	Wards	2019/20 Actual	Target					Overall performance for 2020/21	
					Q1	Q2	Q3	Q4	Target	Actual	
	June 2021 (Beneficiary allocation linked to approved business plan - 800 units prioritised in 2020/21)										
TL30	Construct a youth cafe facility in Van Huysteenlaan by 30 June 2021	Youth cafe facility constructed	11	New performance indicator for 2020/21. No comparatives available	0	0	0	1	1	1	G
TL31	Achieve 95% average water quality level as measured per SANS 241 criteria during the 2020/21 financial year	% water quality level per quarter	All	96.50%	95.00%	95.00%	95.00%	95.00%	95.00%	95.13%	G2
TL32	Develop the 4th Generation Integrated Waste Management Plan, submit it to Council for approval by 31 May 2021, and subsequently include it as sector input in the 2021/22 IDP	Plan developed, submitted to Council for approval by 31 May 2021, and subsequently included as sector input in the 2021/22 IDP	All	0	0	0	0	1	1	1	G
TL33	Review 5 year Water Service Development Plan (WSDP) and submit to Council for approval by 31 May 2021	Reviewed WSDP submitted to Council by 31 May 2021	All	1	0	0	0	1	1	1	G
TL34	80% of sewerage samples comply with effluent standard during the 2020/21 financial year (Number of sewerage	% of sewerage samples compliant	All	75.87%	80.00%	80.00%	80.00%	80.00%	80.00%	87.66%	G2

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI	Unit of Measurement	Wards	2019/20 Actual	Target					Overall performance for 2020/21		
					Q1	Q2	Q3	Q4	Target	Actual		
	samples that comply with General Authorisation/ Number of sewerage samples tested)x100}											
TL35	Spend 90% of the electricity capital budget by 30 June 2021 {(total actual capital project expenditure/total capital project budget) x 100}	% of the electricity capital project budget spent	All	56.93%	0.00%	30.00%	60.00%	90.00%	90.00%	89.22%	O	
<b>Corrective action</b>		<p>89.22% of the electricity capital budget spent by 30 June 2021 [(R 23 780 612.25 / R 26 655 164) x 100] as opposed to 56.93% spent in the previous financial period. This marks an improved year-on-year performance, however, the target has still not been met. The under-performance can be ascribed to savings on capital items as well as disputes on the payment of penalties that are still being resolved.</p> <p>The department will continuously strive to implement capital projects in accordance with the approved DMP. In addition, project implementation and expenditure trends will continuously be monitored to proactively identify &amp; rectify potential underspending</p>										
TL36	Spend 90% of the electricity maintenance budget by 30 June 2021 {(total actual maintenance expenditure/total maintenance budget) x 100}	% of the electricity maintenance budget spent	All	46.62%	0.00%	30.00%	60.00%	90.00%	90.00%	69.23%	O	
<b>Corrective action</b>		<p>69.23% of the electricity maintenance budget spent by 30 June 2021 [(R 15 987 071.96 / R 23 092 400) x 100] as opposed to 46.62% spent in the previous financial period. This marks an improved year-on-year performance, however, the target has still not been met. Critical vacancies in the department (11 out of 15 positions in 20/21) adversely impacts the ability to conduct planned maintenance work</p> <p>The department continues to prioritise and motivate for the filling of critical funded vacancies. Three appointments were made in the latter part of 2020/21 (including the appointment of Manager: Electrical Services). Two new members (senior technician &amp; senior superintendent) will join the team in Q1 of 21/22. Five positions have already been advertised, and now in R&amp;S phase. Appointments are expected to be made in due course (subject to suitable candidacy). In addition, operational maintenance works will be expedited (resources permitted) to ensure that expenditure trends are improved</p>										
TL37	Achieve 90% of capital budget spent on the resurfacing of roads by 30 June 2021	% of capital budget spent	All	79.97%	0.00%	30.00%	60.00%	90.00%	90.00%	99.37%	G 2	
TL39	Spend 90% of capital budget allocated for	% of capital budget spent	16; 17; 18; 8	72.64%	0.00%	6.00%	0.00%	90.00%	90.00%	100.00%	G 2	

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI	Unit of Measurement	Wards	2019/20 Actual	Target					Overall performance for 2020/21	
					Q1	Q2	Q3	Q4	Target	Actual	
	the construction of the Zwelethemba municipal swimming pool by 30 June 2021										
TL40	Complete serviced sites for the Transhex Human Settlements Project phase 1.3 by 30 June 2021	Number of serviced sites completed in phase 1.3 by 30 June 2021	All	527 (Phase 1.2)	0	0	0	662	<b>662</b>	<b>662</b>	G

Table 78- To provide and maintain basic services and ensure social upliftment of the Breede Valley community

### 3.5 SERVICE PROVIDER STRATEGIC PERFORMANCE

Section 76(b) of the MSA states that KPIs should inform the indicators set for every municipal entity and service provider with whom the municipality has entered into a service delivery agreement and is defined as:

- Service provider means a person or institution or any combination of persons and institutions which provide a municipal service
- External service provider means an external mechanism referred to in Section 76(b) which provides a municipal service for a municipality
- Service delivery agreement means an agreement between a municipality and an institution or person mentioned in Section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality

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

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

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



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

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

### 3.5.1 Office of the Municipal Manager

Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
Appointment of "IDI Technology Solutions (Pty) Ltd" for the Provision of the Barnowl System in terms of Regulation 36 (1)(a)(ii) & (v) for the period of three years	36 months	Expired	Service provider provided a good service	N/A

Table 79- Service provider performance: Office of the Municipal Manager

### 3.5.2 Financial Services

Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
Provision of Banking (and related) Services for a period not exceeding five (5) years	36 Months	Expired	Service provider provided a good service	N/A
Supply and delivery of meter reading equipment and software solution (inclusive of support services) for a period not exceeding three (3) years	33 Months	Expired	Service provider provided a good service	N/A
Provision of debt collection services for a period not exceeding three (3) years	33 Months	Expired	Service provider provided a satisfactory service	N/A
Supply and delivery of tissue paper products for the period ending 30 June 2021	18 Months	Expired	Service provider provided a satisfactory service	N/A
Supply and delivery of printing paper products for the period ending 30 June 2021	18 Months	Expired	Service provider provided a satisfactory service	N/A

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
Provision of water and electricity meter reading services for the period not exceeding three (3) years	27 Months	Expired	Service provider provided a satisfactory service	N/A
Provision of accounting services to ensure completion of the GRAP/ mSCOA compliant AFS for the period not exceeding three (3) years	27 Months	Expired	Service provider provided a good service	N/A
Supply and delivery of protective clothing for the period ending 30 June 2021	25 Months	Expired	Service provider provided a satisfactory service	N/A
Core financial system of the municipality	31 Months	Expired	Service provider provided a satisfactory service	N/A
Provision of on-line electronic search and information verification services for a period ending 30 June 2022	36 Months	Active	Service provider provided a good service	N/A
Facilitation of third-party payment (municipal service account) services for a period ending 30 June 2022	36 Months	Active	Service provider provided an excellent service	N/A
Short term insurance services for the for the period ending 30 June 2022	36 Months	Active	Service provider provided a satisfactory service	N/A
Supply and delivery of high security padlocks (inclusive of protected keys and accessories) for the period ending 30 June 2022	34 Months	Active	Service provider provided a satisfactory service	N/A
Printing, folding and distribution of Municipal accounts	36 Months	Active	Service provider provided a good service	N/A

### CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
and newsletters for a period ending 30 June 2022				
Implementation of a revenue enhancement strategy (inclusive of data cleansing) for a period ending 30 June 2021	24 Months	Expired	Service provider provided a satisfactory service	N/A
Supply and delivery of electrical cable and wire products for the period ending 30 June 2022 (A)	29 Months	Active	Service provider provided a satisfactory service	N/A
Supply and delivery of electrical cable and wire products for the period ending 30 June 2022 (B)	29 Months	Active	Service provider provided a satisfactory service	N/A
Supply and delivery of electrical cable and wire products for the period ending 30 June 2022 (C)	29 Months	Active	Service provider provided a satisfactory service	N/A
Supply and delivery of detergents and cleaning materials for the period ending 30 June 2022 (A)	29 Months	Active	Service provider provided a satisfactory service	N/A
Supply and delivery of detergents and cleaning materials for the period ending 30 June 2022 (B)	29 Months	Active	Service provider provided a satisfactory service	N/A
Supply and delivery of detergents and cleaning materials for the period ending 30 June 2022 (C)	29 Months	Active	Service provider provided a satisfactory service	N/A
Supply and delivery of detergents and cleaning materials for the period ending 30 June 2022 (D)	29 Months	Active	Service provider provided a satisfactory service	N/A

### CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
Supply and delivery of detergents and cleaning materials for the period ending 30 June 2022 (E)	29 Months	Active	Service provider provided a satisfactory service	N/A
Supply and delivery of detergents and cleaning materials for the period ending 30 June 2022 (F)	29 Months	Active	Service provider provided a satisfactory service	N/A
Provision of professional travel agency services for the period ending 30 June 2021	27 Months	Expired	Service provider provided a satisfactory service	N/A
Compilation and maintenance of general and supplementary valuation rolls	28 Months	Active	Service provider provided a good service	N/A
Supply and delivery of plastic refuse bags (clear and blue) for the period ending 30 June 2021	12 Months	Expired	Service provider provided a satisfactory service	N/A
Supply and delivery of plastic refuse bags (black) for the period ending 30 June 2021	12 Months	Expired	Service provider provided a satisfactory service	N/A
Provision of auctioneering services for the period ending 30 June 2021	12 Months	Expired	Service provider provided a good service	N/A
Refurbishment and alterations of existing building: Erf 4559, 51 Baring Street, Worcester	24 Months	Active	Service provider provided a satisfactory service	N/A
Provision of banking (and related services)	24 Months	Active	Service provider provided a satisfactory service	N/A
Supply and delivery of plastic refuse bags for the period ending 30 June 2023	27 Months	Active	Service provider provided a satisfactory service	N/A

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
Appointment of contractors for the provision of vehicle fleet management services to the state for a period ending 31 March 2026	72 Months	Active	Service provider provided a satisfactory service	N/A

Table 80- Service provider performance: Financial Services

### 3.5.3 Strategic Support Services

Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
Upgrade of Wireless Radio Network (and related services) within the Breede Valley Municipal area for a period not exceeding three (3) years	27 Months	Expired	Service provider provided a good service	N/A
Professional interpretation and translation services for a period ending 30 June 2021	34 Months	Expired	Service provider provided an excellent service	N/A
Communication services for a period ending 30 June 2021	34 Months	Expired	Service provider provided an excellent service	N/A
Supply, delivery, installation and commissioning of a Human Resource Management System, Payroll System as well as a Time and Attendance System (inclusive of support services) for a period not exceeding three (3) years	35 Months	Expired	Service provider provided an unsatisfactory service	Various email communication was sent to the service provider to rectify their non/under performances
Supply and implementation of Disaster Recovery Solution	36 Months	Expired	Service provider provided a good service	N/A

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
Rental of multi-functional office machines (inclusive of related services) for a period not more than 3 years (36 months)	36 Months	Active	Service provider provided a good service	N/A
Document archiving and automated process and workflow system	36 Months	Expired	Service provider provided an excellent service	N/A
Performance Management system and related services	36 Months	Expired	Service provider provided a good service	N/A
Provision and maintenance of internet and related services for a period ending 30 June 2021	25 Months	Expired	Service provider provided a good service	N/A
Group life insurance scheme (inclusive of an optional funeral cover) for the period ending 30 June 2022	36 Months	Active	Service provider provided a good service	N/A
Provision of training: Library Science Learnership	18 Months	Expired	Service provider provided a satisfactory service	N/A
Implementation of Wi-Fi access points and related services (including maintenance) for the period ending 30 June 2022	31 Months	Expired	Service provider provided a good service	N/A
Services for the provision of a business case on an integrated IT system (to conduct an ERP feasibility study)	6 Months	Expired	Service provider provided a good service	N/A
Rendering of hygiene cleansing services for the period ending 30 June 2022	26 Months	Active	Service provider provided an excellent service	N/A

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
Rendering of telecom reporting and cost management services, for the period ending 30 June 2020	4 Months	Expired	Service provider provided a good service	N/A
Rendering of telecom reporting and cost management services for the period ending 30 June 2023	33 Months	Active	Service provider provided a good service	N/A
Supply and delivery of various computer equipment	6 Weeks	Expired	Service provider provided a good service	N/A
Maintenance services for elevators at Breede Valley municipality office buildings for a period ending 30 June 2023	27 Months	Active	Service provider provided an excellent service	N/A
Implementation and commissioning of the network connectivity upgrades within the Breede Valley municipal area for the period not exceeding three (3) years	36 Months	Active	Service provider provided an excellent service	N/A

Table 81- Service provider performance: Strategic Support Services

### 3.5.4 Community Services

Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
Provision of security services for a period not exceeding three (3) years (Cluster 1A)	33 Months	Expired	Service provider provided a satisfactory service	N/A
Provision of security services for a period not exceeding three (3) years (Cluster 1B)	33 Months	Expired	Service provider provided a satisfactory service	N/A

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
Provision of speed law enforcement and back office services for a period ending 30 June 2021	27 Months	Expired	Service provider provided a satisfactory service	N/A
Back office fines system	36 Months	Expired	Service provider provided a good service	N/A
External upgrades to the De Doorns Fire Station	8 Weeks	Expired	Service provider provided a satisfactory service	N/A
Relocation of outside toilets and conversion into bathroom facilities in Zwelethemba, Worcester	8 Weeks	Expired	Service provider provided a satisfactory service	N/A
Rental of chemical toilet facilities for the period ending 30 June 2021	12 Months	Expired	Service provider provided an excellent service	N/A
Supply and delivery of protective clothing: structural firefighting gear for the period ending 30 June 2022 (A)	21 Months	Active	Service provider provided a satisfactory service	N/A
Supply and delivery of protective clothing: structural firefighting gear for the period ending 30 June 2022 (B)	21 Months	Active	Service provider provided a satisfactory service	N/A
Supply and delivery of protective clothing: structural firefighting gear for the period ending 30 June 2022 (C)	21 Months	Active	Service provider provided a satisfactory service	N/A
Rental of chemical toilets for the period ending 30 June 2023	30 Months	Active	Service provider provided an excellent service	N/A

Table 82- Service provider performance: Community Services



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.5.5 Engineering Services

Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
Work order system for the period of three years ending 30 June 2021	36 Months	Expired	Service provider provided a satisfactory service	N/A
Supply, installation and management of an STS compliant prepayment electrical vending system for a period ending 30 June 2021	25 Months	Expired	Service provider provided a satisfactory service	N/A
Maintenance of traffic signal equipment within the Breede Valley municipality for the period ending 30 June 2022	28 Months	Active	Service provider provided a satisfactory service	N/A
Maintenance of Low Voltage (LV) Reticulation networks and equipment	27 Months	Active	Service provider provided a satisfactory service	N/A
Maintenance of streetlights, high mast lights and stadium flood lights	28 Months	Active	Service provider provided a satisfactory service	N/A
Professional services for the construction of swimming pool at Zwelethemba, Worcester	27 Moths	Active	Service provider provided a satisfactory service	N/A
Bulk electrical services for the Transhex housing development in Worcester - Phase 2	9 Months	Expired	Service provider provided a satisfactory service	N/A
Professional services for construction of reservoirs - preloads	26 Months	Active	Service provider provided a satisfactory service	N/A
Construction of speed humps	4 Weeks	Expired	Service provider provided a satisfactory service	N/A

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
Maintenance of Medium Voltage (MV) Reticulation networks and equipment	9 Months	Expired	Service provider provided a satisfactory service	N/A
Maintenance services for the jointing and termination of 11kV cabling and overhead conductors for the period ending 30 June 2022	9 Months	Expired	Service provider provided a satisfactory service	N/A
Resurfacing of municipal roads for the period ending 30 June 2022	25 Months	Active	Service provider provided a satisfactory service	N/A
Supply, delivery, installation, and commissioning of 12 – 24kV RMU's within Worcester	7 Month	Expired	Service provider provided a satisfactory service	N/A
Installation of 11kV cables in Worcester	5 Months	Expired	Service provider provided a satisfactory service	N/A
Professional services for the construction of erosion protection at Hex River, Worcester	30 Months	Active	Service provider provided a satisfactory service	N/A
Supply, deliver, install and commission additional area lighting at Riverview flats within Worcester	6 Weeks	Expired	Service provider provided a satisfactory service	N/A
Professional service for the extension of Rawsonville Waste Water Treatment Works (WWTW)	28 Months	Active	Service provider provided a satisfactory service	N/A
Construction of Municipal Swimming Pool and Facilities at Zwelentemba, Worcester	9 Months	Active	Service provider provided a satisfactory service	N/A

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Description of services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
Bulk electrical services of the Transhex housing development (Phase 3)	11 Months	Active	Service provider provided a satisfactory service	N/A
Construction of slip lane at High Street and Protea Road, Worcester	6 Weeks	Active	Service provider provided a satisfactory service	N/A
Construction of civil engineering to 18 erven at Meirings Park, Worcester	10 Weeks	Expired	Service provider provided a satisfactory service	N/A

Table 83- Service provider performance: Engineering Services

### 3.5.6 Public Services

Description of Services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
Construction of tar-surfaced netball court in De Doorns.	4 Weeks	Expired	Service provider provided a good service	N/A
Upgrading of rugby field in De Doorns	4 Weeks	Expired	Service provider provided a satisfactory service	N/A
Supply, delivery, and installation of playground equipment	6 Weeks	Expired	Service provider provided a satisfactory service	N/A
Supply and delivery of water purifying chlorine for the period ending 30 June 2021 (Liquid Chlorine)	28 Months	Expired	Service provider provided a satisfactory service	N/A
Supply and delivery of water purifying chlorine for the period ending 30 June 2021 (Granular Chlorine)	28 Months	Expired	Service provider provided a satisfactory service	N/A
Supply and delivery of hydrated water purifying lime for the period ending 30 June 2021 -	28 Months	Expired	Service provider provided a satisfactory service	N/A

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Description of Services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
Hydrated Lime (20kg bags)				
Supply and delivery of hydrated water purifying lime for the period ending 30 June 2021 - Hydrated Lime (in bulk)	28 Months	Expired	Service provider provided a satisfactory service	N/A
Supply and delivery of road building material for the period ending 30 June 2021	28 Months	Expired	Service provider provided a satisfactory service	N/A
Supply and delivery of bitumen products for the period ending 30 June 2021	28 Months	Expired	Service provider provided a satisfactory service	N/A
Supply and delivery of concrete products for the period ending 30 June 2021	28 Months	Expired	Service provider provided a satisfactory service	N/A
Supply and delivery of combination high pressure water and vacuum drain cleaning machine onto a single chassis ("Alternative Offer")	4 Months	Expired	Service provider provided a satisfactory service	N/A
Rendering of street cleaning services within the Worcester Central Business Area, for the period ending 30 June 2021	12 Months	Expired	Service provider provided a satisfactory service	N/A
Supply, delivery and installation of security fencing at Fairbairn stores	10 Weeks	Expired	Service provider provided a satisfactory service	N/A
Supply and delivery of tipper truck	2 Months	Expired	Service provider provided a satisfactory service	N/A
Rental of plant, machinery and vehicles for a period ending 30 June 2023 (A)	29 Months	Active	Service provider provided a satisfactory service	N/A

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Description of Services rendered	Term of contract	Performance progress	Performance comment	Corrective measures
Rental of plant, machinery and vehicles for a period ending 30 June 2023 (B)	29 Months	Active	Service provider provided a satisfactory service	N/A
Rental of plant, machinery and vehicles for a period ending 30 June 2023 (C)	29 Months	Active	Service provider provided a satisfactory service	N/A
Rental of plant, machinery and vehicles for a period ending 30 June 2023 (D)	29 Months	Active	Service provider provided a satisfactory service	N/A
Rental of plant, machinery and vehicles for a period ending 30 June 2023 (E)	29 Months	Active	Service provider provided a satisfactory service	N/A
Rental of plant, machinery and vehicles for a period ending 30 June 2023 (F)	29 Months	Active	Service provider provided a satisfactory service	N/A
Rental of plant, machinery and vehicles for a period ending 30 June 2023 (G)	29 Months	Active	Service provider provided a satisfactory service	N/A
Supply and delivery of 200kVA mobile generator	6 weeks	Expired	Service provider provided a satisfactory service	N/A

Table 84- Service provider performance: Public Services

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.6 MUNICIPAL FUNCTIONS

#### 3.6.1 Analysis of functions

The municipal functional areas are as indicated below:

Municipal function	Municipal function: Yes / No
<b>Constitution Schedule 4, Part B functions:</b>	
Air pollution	Yes
Building regulations	Yes
Childcare facilities	Yes
Electricity and gas reticulation	Yes
Firefighting services	Yes
Local tourism	Yes
Municipal airports	Yes
Municipal planning	Yes
Municipal health services	No
Municipal public transport	Yes
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Stormwater management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste water and sewage disposal systems	Yes
<b>Constitution Schedule 5, Part B functions:</b>	
Beaches and amusement facilities	N/A
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	No
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	No

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Municipal function	Municipal function: Yes / No
Local amenities	Yes
Local sport facilities	Yes
Markets	Yes
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

Table 85- Municipal functions (functional areas)

### 3.7 OVERVIEW OF PERFORMANCE PER WARD

The tables below provide an overview of the performance per ward (cognisance should be taken that Covid-19 had a significant impact on the ability to implement and roll-out capital projects, particularly those that are discretionary in nature):

#### 3.7.1 Ward 1

##### Capital Projects

No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Resealing of Municipal Roads - Touwsrivier	1 July 2020	30 June 2021	17 580 061
2	Play parks Touwsrivier	1 July 2020	30 June 2021	286 896
3	Touwsrivier WWTW - Machinery and Equipment	1 July 2020	30 June 2021	87 745

*The above analysis includes only the 3 largest capital projects of the ward*

Table 86- Capital projects of ward 1

##### Top Four Service Delivery Priorities for Ward (Highest Priority First)

No.	Priority Name and Detail	Progress During 2020/21
1	900 houses urgently needed near Hugo Street	Forms part of the Touwsrivier Affordable Housing Project. Project status - EIA
2	Upgrade of sewerage system for housing projects	Forms part of the Touwsrivier Affordable Housing Project. Project status - EIA

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2020/21
3	Reservoirs and upgrading of water system for future developments and housing projects	Water Master Plan 2014 (Reference PRJ-BTW-005) Estimated cost R13 287 706. Forms part of housing project implementation (i.e. forms part of priority 1). This will be rolled-out subject to available funding and associated resources
4	Land for graveyards near Uitsig houses	The rezoning and subdivision of erf 1832, Touwsrivier for a cemetery was approved by the municipal planning tribunal of BVM on Monday 14 December 2020. The application was approved on condition that a geotechnical report be obtained and that exemption is granted in terms of the Regulations relating to the Management of Human Remains (R 363 of 22 May 2013). Application for the exemption was submitted in July 2021

Table 87- Top four service delivery priorities for wards 1

### 3.7.2 Ward 2

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Resealing of Municipal Roads - De Doorns	1 July 2020	30 June 2021	4 928 549*
2	Fire Station: De Doorns	1 July 2020	30 June 2021	1 324 039*
3	De Doorns tar-surfaced netball court	1 July 2020	30 June 2021	284 511*
<p><i>The above analysis includes only the 3 largest capital projects of the ward</i></p> <p><i>*Capital projects indicated by an asterisk are implemented across more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only</i></p>				

Table 88- Capital projects of ward 2

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2020/21
1	Any planned & new housing projects in ward 2 should be based on the PHP	The work of the NGO has been put on hold due the current pandemic and reprioritization of the Western Cape Department of Human Settlements budget allocation. The Municipality is awaiting a confirmation of the new process to be followed. The consultation will take place with the committee and all affected stakeholders a soon we are permitted to do so
2	Appointment of a Social Facilitator to assist people with profiling of Finance Link Individual Subsidy Program	This is done by the municipal Department of Human Settlements in collaboration with the Provincial Department of Human Settlements
3	Housing in Stofland	Due to the development of Transhex, all other housing projects (throughout the entire municipal area) have been shifted to the outer years for consideration. The



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2020/21
		need for housing in De Doorns (Stofland) will remain on the housing pipeline until implementation thereof
4	Electricity for informal structures	Structures outside the urban edge cannot be electrified. Some of the areas are Eskom distribution areas. More information required to determine whether alternative assistance could possibly be provided, subject to the reasonability and viability thereof

Table 89- Top four service delivery priorities for ward 2

### 3.7.3 Ward 3

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Resealing of Municipal Roads - De Doorns	1 July 2020	30 June 2021	4 928 549*
2	Fire Station: De Doorns	1 July 2020	30 June 2021	1 324 039*
3	De Doorns tar-surfaced netball court	1 July 2020	30 June 2021	284 511*

*The above analysis includes only the 3 largest capital projects of the ward*

*\*Capital projects indicated by an asterisk are implemented across more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only*

Table 90- Capital projects of ward 3

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2020/21
1	Electricity and Development of Hassie Square	Hassie Square community falls within the 1:50yr and 1:100yr floodline. No development allowed
2	Relocating outside toilets into houses in Ward 3	Approximately R1.5 million budgeted in 2021/22 for the relocation of outside toilets throughout the BVM. The relocation methodology/schedule will be reviewed to ensure that it is conducted in a more equitable manner throughout all wards (subject to available resources and qualifying criteria). In terms of qualifying criteria, the following citizen categories will be prioritised: the elderly, disabled and vulnerable. It is imperative to note that the budgeted amount will not address the entire backlog. Hence, communities will be kept informed on the implementation methodology, list and progress made in this regard. This priority remains work in progress throughout BVM
3	Rectification of the 157 RDP houses	Rectification of houses in housing projects falls under the mandate of the National Department of Housing and Human Settlements. In addition, an assessment was made, and was found that the 157 Scheme RDP houses does not meet the criteria for a rectification project. These houses will not be considered for

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2020/21
		rectification by National. Finally, it should be noted that the 157 Scheme RDP houses are being transferred. The assigned owner will therefore be responsible for maintenance/upgrades
4	Title deeds for the selfbou skema and 157 RDP houses	The transfer of title deeds is currently in process. 38 are in process of transfer and 13 of the 38 have been registered. The project will continue subject to available funding and resources

Table 91- Top four service delivery priorities for ward 3

### 3.7.4 Ward 4

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Resealing of Municipal Roads - De Doorns	1 July 2020	30 June 2021	4 928 549*
2	Upgrade of rugby field in De Doorns West (Sunnyside Orchards)	1 July 2020	30 June 2021	841 031*
3	De Doorns tar-surfaced netball court	1 July 2020	30 June 2021	284 511*

*The above analysis includes only the 3 largest capital projects of the ward*  
*\*Capital projects indicated by an asterisk are implemented across more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only*

Table 92- Capital projects of ward 4

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2020/21
1	Community Hall in Orchard Sunny Side	Land has been identified to potentially accommodate this need. The construction cost for the hall is estimated between R6 and R8 million and is currently not funded. This priority will remain on the planning horizon
2	Upgrading of sportsfield in Orchard	Gravelling of the surface and fencing of the field has been completed. The earthworks to shape the rugby field, top soiling and roll-on lawn were completed before June 2021 as part of the RSEP. In addition, a water canon with 100m water pipe was procured for irrigation purposes. Project costs amounted to R841 031 in 2020/21
3	Tarring of roads: Chris Hani Street, Jakaranda Street, Sir James Street, St Elmo Street, Balinga Street and Biko Street	All gravel roads are maintained throughout BVM in accordance with the approved operational maintenance budget and programme. Estimated cost of R6.6 million for 1.7 km new roads. Project is unfunded and will remain on the planning horizon

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2020/21
4	Relocation of outside toilets into the houses in De Doorns East	Approximately R1.5 million budgeted in 2021/22 for the relocation of outside toilets throughout the BVM. The relocation methodology/schedule will be reviewed to ensure that it is conducted in a more equitable manner throughout all wards (subject to available resources and qualifying criteria). In terms of qualifying criteria, the following citizen categories will be prioritised: the elderly, disabled and vulnerable. It is imperative to note that the budgeted amount will not address the entire backlog, hence, communities will be kept informed on the implementation methodology, list and progress made in this regard. This priority remains work in progress throughout BVM

Table 93- Top four service delivery priorities for ward 4

### 3.7.5 Ward 5

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Resealing of Municipal Roads - De Doorns	1 July 2020	30 June 2021	4 928 549*
2	Reservoirs - Preloads	1 July 2020	30 June 2021	1 464 778*
3	Development of Parks	1 July 2020	30 June 2021	30 731

*The above analysis includes only the 3 largest capital projects of the ward*  
*\*Capital projects indicated by an asterisk are implemented across more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only*

Table 94- Capital projects of ward 5

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2020/21
1	Investigate and identify parcels of land (in GG Camp and De Wet) which can be transferred to the Municipality for housing purposes	Consultant was appointed by the Provincial Department of Public Works to conduct a feasibility study (linked to the current status quo). The process was placed on hold due to the Covid-19 pandemic. There are no plans to transfer De Wet to the Municipality
2	Erect a spectator's fence around De Wet Sportgrounds (priority to be removed subject to completion)	A MIG application was prepared and submitted to fund this priority. Feedback on the status of the application is awaited from Province (DCAS)
3	High-mast light in GG Camp (remove subject to completion) and engage with Transnet for the provision of a high-mast light at De Wet Station	Two high-mast lights were erected in GG Camp within the 2019/20 financial period. De Wet station is Transnet's property, hence, the Municipality is not permitted to erect a high mast light at the station. During the October 2020 engagement, the committee recommended that this priority must not feature on the

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2020/21
		2021/22 priority list. Hence, this matter is regarded as concluded
4	Fire extinguishers and sand buckets for GG Camp to extinguish fires	Smoke detectors have been installed

Table 95- Top four service delivery priorities for ward 5

### 3.7.6 Ward 6

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Resealing of Municipal Roads - Worcester	1 July 2020	30 June 2021	32 942 859*
2	Ward 6 - Speed humps	1 July 2020	30 June 2021	40 000
3	Ward 6 - Fencing of substation	1 July 2020	30 June 2021	38 723

*The above analysis includes only the 3 largest capital projects of the ward*  
*\*Capital projects indicated by an asterisk are implemented across more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only*

Table 96- Capital projects of ward 6

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2020/21
1	Transfer houses for ownership to tenants	The sub-division of Eich & Keyter Street has been approved and the registration of the General Plan is being processed to the Surveyor-General. The sub-division of Tuindorp has been put on hold to resolve issues (relating to land exchange and cost of services)
2	Fencing of sub-station in Kuhn Street (priority to be removed subject to completion)	Completed
3	Speed calming mechanisms: 1 - Construction of 1 speedhump in Culemborg Street (priority to be removed subject to completion); 1 at the corner of Eich- & Edward Philcox Street & 1 in Quellerie Road; 2 - Removal of speedbumps (skilpadjies) in Lyons Street and replace with speed hump; 3 - Replace/repair/upgrade existing speedhump in Tuindorp	Speed calming mechanisms: 1 - Construction of 1 speedhump in Culemborg Street completed - November 2020. 1 at the corner of Eich- & Edward Philcox Street & 1 in Quellerie Road - No budget; 2 - Removal of speedbumps (skilpadjies) in Lyons Street and replace with speedhump - No budget; 3 - Replace/repair/ upgrade existing speedhump in Tuindorp - No budget. In addition, R2 million (2021/22) has been budgeted towards the construction of speedhumps throughout BVM. The remaining requests for speedhumps will therefore be considered in accordance with all related priorities received throughout the BVM, based on the qualification criteria (i.e. road classified with high vehicle and pedestrian traffic, located near institutions such as a schools and/or churches)

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2020/21
4	Spray lights for parks in Janszen Street, Palm Avenue, & corner of Van Der Merwe Street and Sangster Street (priority to be removed subject to completion)	Completed. All spray lights have been erected

Table 97- Top four service delivery priorities for ward 6

### 3.7.7 Ward 7

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Land Infill Developments - Site A - Meirings Park (Erven 1, 6920, 6921) – Water, Sewer, Stormwater, Electricity	1 July 2020	30 June 2021	3 192 156
2	High to Protea Str. slip lane	1 July 2020	30 June 2021	640 000
3	Upgrade library	1 July 2020	30 June 2021	100 000

*The above analysis includes only the 3 largest capital projects of the ward*

Table 98- Capital projects of ward 7

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2020/21
1	(1) Rescind and review council decision for GAP Housing in the 'Ou Burgersparkkaravaanpark'; (2) subdivision of Erf 172; (3) Consolidation of subdivided Erf 172 with Erf 19937 and subsequent (4) Call for development proposals	Conclusion to be reached internally whether to rescind the Council resolution pertaining to GAP Housing
2	Alienation or Leasing of the Old Railway Reserve located between SAD and Roostuin	Council resolved to alienate the municipal property. Public participation process completed. The erf will be disposed at a municipal auction
3	Alienation of Erf 19938 in Heyns Street, Fairy Glen (between the AGS and Municipal Workshop)	Alternative use of property is currently being investigated
4	Construction of traffic circles: (1) at the De la Bat and Roux Avenue intersection; (2) at the High and Louis Lange Avenue intersection	R6 million budgeted in the 2021/22 and 2022/23 financial years respectively for the construction of traffic circles (High & Louis Lange) R5.5 million budgeted in the 2023/24 financial period for the construction of traffic circles at De La Bat, Roux and Heyns Street

Table 99- Top four service delivery priorities for ward 7

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.7.8 Ward 8

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Resealing of Municipal Roads - Zwelethemba	1 July 2020	30 June 2021	5 670 775*
2	Replace 11 KV cable from Mc Allistor to Field Sub (1 600 m @ 185 mm Al PILC)	1 July 2020	30 June 2021	3 964 301
3	Erosion protection of Hex River: Phase 2 (300m @ R13 333.33/m)	1 July 2020	30 June 2021	1 432 718

*The above analysis includes only the 3 largest capital projects of the ward*

Table 100- Capital projects of ward 8

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2020/21
1	Tarring of streets/crescents/avenues: Busa, Mpinda, Bahumi, Ndyalvan, Baartman and Bodla Street (Wit Huis), upgrading and maintenance of all gravel roads and fixing of potholes in Busa and Mpinda Streets	Reseal - Bentele Street has been completed during 2017/18 – 2018/19 financial years (745m upgraded at a cost of R2.328 million). In addition, 14 224,88m <sup>2</sup> was resurfaced at a cost of R3 660 282.34 during the 2018/19 – 2019/20 financial period, whilst R5.6 million was spent to date on resealing roads in Zwelethemba during 2020/21. Lastly, the Municipality budgeted R420 thousand (2022/23) towards reseal in Zwelethemba. Upgrading gravel roads - Approximately 5km of gravel roads to be upgraded at a cost of R22.5 million. R9 million has been budgeted over the MTREF (2021/22 – 2023/24) towards the upgrade of gravel roads in ward 8 specifically. Potholes - Fixing of potholes in Busa and Mpinda form part of maintenance programme
2	Relocation of outside toilets into houses	Approximately R1.5 million budgeted in 2021/22 for the relocation of outside toilets throughout the BVM. The relocation methodology/schedule will be reviewed to ensure that it is conducted in a more equitable manner throughout all wards (subject to available resources and qualifying criteria). In terms of qualifying criteria, the following citizen categories will be prioritised: the elderly, disabled and vulnerable. It is imperative to note that the budgeted amount will not address the entire backlog, hence, communities will be kept informed on the implementation methodology, list and progress made in this regard. This priority remains work in progress throughout BVM
3	Swimming pool - Bus transport to be provided by the Municipality in the interim, to and from the swimming pool over weekends for children of Zwelethemba	The Municipality cannot provide transportation services for the purposes as requested. BID BV 825/2020 linked to the construction of Zwelethemba Swimming Pool, has been awarded and construction is currently in progress. The pool is anticipated to be completed by 31 December 2021

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2020/21
4	Upgrading and regular maintenance of sewer system	The Municipality anticipates to appoint a consultant to conduct a detailed assessment of the sewer system (anticipated appointment due date - 30 June 2021). The assessment will include (amongst others) a detailed analysis of the current capacity, additional need requirements from a technical perspective and also possible system designs/upgrades. The findings hereof, will feed into a second tender process, that will seek to appoint a service provider that can commence with the upgrade of the system within the hotspot areas (i.e. Zwelethemba, Roodewal, Riverview & Avian Park). R15 million has been budgeted across the 2021/22 – 2023/24 MTREF to commence with the implementation of this priority. In the interim, proactive maintenance remains intact. Additional jet-vacs are being leased to assist with the current load. The Municipality also reviews the allocation and utilization of internal fleet allocated for this purpose to ensure an optimal response to related service delivery complaints

Table 101- Top four service delivery priorities for ward 8

### 3.7.9 Ward 9

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Resealing of Municipal Roads - Worcester	1 July 2020	30 June 2021	32 942 859*
2	Jet Vac Truck	1 July 2020	30 June 2021	2 685 276*
3	Youth Café	1 July 2020	30 June 2021	600 000*
<p><i>The above analysis includes only the 3 largest capital projects of the ward</i></p> <p><i>*Capital projects indicated by an asterisk are implemented across more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only</i></p>				

Table 102- Capital projects of ward 9

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2020/21
1	Upgrading/regular maintenance of sewerage system	The Municipality anticipates to appoint a consultant to conduct a detailed assessment of the sewer system (anticipated appointment due date - 30 June 2021). The assessment will include (amongst others) a detailed analysis of the current capacity, additional need requirements from a technical perspective and also possible system designs/upgrades. The findings hereof, will feed into a second tender process, that will seek to appoint a service provider that can commence with the upgrading of the system within the hotspot



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2020/21
		areas (i.e. Zwelethemba, Roodewal, Riverview & Avian Park). R15 million has been budgeted across the 2021/22 – 2023/24 MTREF to commence with the implementation of this priority. In the interim, proactive maintenance remains intact. Additional jet-vacs are being leased to assist with the current load. The Municipality also reviews the allocation and utilization of internal fleet allocated for this purpose, to ensure an optimal response to related service delivery complaints
2	Construction of speed humps (1 in Steynder Street - 129 Steynder Street; 2 in Taambay Street - 63 Taambay Street & in front of RSEP facility; and 1 in Van Huyssteen Street - between Stynder- and Fransman Street)	Steynder Street - 129 Steynder Street - No budget; 2 in Taambay Street - 63 Taambay Street - No budget; In front of RSEP facility - completed; and 1 in Van Huyssteen Street - between Stynder- and Fransman Street) is completed. In addition, R2 million (2021/22) has been budgeted towards the construction of speedhumps throughout BVM. The remaining requests for speedhumps will therefore be considered in accordance with all related priorities received throughout the BVM, based on the qualification criteria (i.e. road classified with high vehicle and pedestrian traffic, located near institutions such as a schools and/or churches)
3	Transfer title deeds in Roodewal and Chessies	21 houses/units are non-transferable, whilst 8 have already been transferred. Transfer of the remaining title deeds will remain on the agenda for finalisation
4	Construct toilets and ramps for the elderly and disabled in Roodewal and Chessies	Approximately R1.5 million budgeted in 2021/22 for the relocation of outside toilets throughout the BVM. The relocation methodology/schedule will be reviewed to ensure that it is conducted in a more equitable manner throughout all wards (subject to available resources and qualifying criteria). In terms of qualifying criteria, the following citizen categories will be prioritised: the elderly, disabled and vulnerable. It is imperative to note that the budgeted amount will not address the entire backlog, hence, communities will be kept informed on the implementation methodology, list and progress made in this regard. This priority remains work in progress throughout BVM

Table 103- Top four service delivery priorities for ward 9

### 3.7.10 Ward 10

Capital Projects				
No	Project Name and Detail	Start Date	End Date	Total Value R
1	Jet Vac trok	1 July 2020	30 June 2021	2 685 276*



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
2	Speed humps in Avian Park, Roodewal, Riverview, Touwsrivier and Zwelethemba	1 July 2020	30 June 2021	295 727*
3	Upgrading of playparks in Avian Park, Riverview, Roodewal and Zwelethemba	1 July 2020	30 June 2021	251 553*
<p><i>The above analysis includes only the 3 largest capital projects of the ward</i></p> <p><i>*Capital projects indicated by an asterisk are implemented across more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only</i></p>				

Table 104- Capital projects of ward 10

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2020/21
1	Upgrading of Roodewal and Hexpark apartment blocks	Over and above the standard operational maintenance budget for regular internal maintenance work required, approximately R30 million has been budgeted over the MTREF period (2021/22 – 2023/24) towards maintenance of all rental stock throughout BVM. The external structure(s) will specifically be targeted in this instance and will be conducted in a phased approach. As part of phase one, the Municipality intends to commence with rubberising of roofs and fixing of gutters/down pipes (where needed). Matters such as enhanced area lighting (where needed) will (for example) be considered in subsequent phases
2	Regular maintenance of sewerage system in Ward 10	The Municipality anticipates to appoint a consultant to conduct a detailed assessment of the sewer system (anticipated appointment due date - 30 June 2021). The assessment will include (amongst others) a detailed analysis of the current capacity, additional need requirements from a technical perspective and also possible system designs/upgrades. The findings hereof, will feed into a second tender process, that will seek to appoint a service provider that can commence with the upgrade of the system within the hotspot areas (i.e. Zwelethemba, Roodewal, Riverview & Avian Park). R15 million has been budgeted across the 2021/22 – 2023/24 MTREF to commence with the implementation of this priority. In the interim, proactive maintenance remains intact. Additional jet-vacs are being leased to assist with the current load. The Municipality also reviews the allocation and utilisation of internal fleet allocated for this purpose, to ensure an optimal response to related service delivery complaints
3	Implement pest control measures within the Roodewal apartment blocks (environmentally friendly and non-hazardous to citizens)	Pest control measures are conducted as part of the operational maintenance programme

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2020/21
4	Resealing of Roads in Ward 10 (streets)	Approximately R68.7 million has been budget over the 2021/22 – 2023/24 MTREF towards the resealing of roads in Worcester. The priorities will therefore be considered in accordance with a technical priority analysis/assessment (confirming the need to reseal) as well as available funding

Table 105- Top four service delivery priorities for ward 10

### 3.7.11 Ward 11

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Resealing of Municipal Roads - Worcester	1 July 2020	30 June 2021	32 942 859*
2	Youth Café	1 July 2020	30 June 2021	600 000*
3	Fencing of Electrical Boxes	1 July 2020	30 June 2021	60 000

*The above analysis includes only the 3 largest capital projects of the ward*  
*\*Capital projects indicated by an asterisk are implemented across more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only*

Table 106- Capital projects of ward 11

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2020/21
1	Upgrading of indoor sport centre with air-conditioning and expansion of gym and equipment	Application for sport infrastructure funding (2021/22) was submitted to DCAS, which include the summary of the specifications and technical report. Feedback on the application is still awaited. The Municipality recently submitted correspondence to the Western Cape Department of Sport follow up on the progress in this regard. Notification of receipt of the correspondence has been returned, and formal feedback eagerly awaited. The department will continue to follow-up on this issue until resolved
2	Safeguarding and re-development of OVD (Sohnge Avenue, Grey Street, Buitenkant Street & Gordon Street)	The re-development of OVD will occur once residents have been provided alternative accommodation (for example Transhex)
3	Installation of CCTV security cameras in Florian Park	Further investigation required to ascertain the feasibility of this request. For future budgetary consideration
4	Tarring of gravel road in Solon CI Street (from 137 - 141)	Tarring of the gravel road in Solon CI Street (from 137 - 141) was completed in November 2020

Table 107- Top four service delivery priorities for ward 11

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.7.12 Ward 12

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Resealing of Municipal Roads - Worcester	1 July 2020	30 June 2021	32 942 859*
2	Land Infill Developments - Site D - Avian Park (25 Erven) – Roads, Stormwater, Electricity	1 July 2020	30 June 2021	982 109
3	Ward12 - Upgrading of gravel roads	1 July 2020	30 June 2021	227 233

*The above analysis includes only the 3 largest capital projects of the ward*  
*\*Capital projects indicated by an asterisk are implemented across more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only*

Table 108- Capital projects of ward 12

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2020/21
1	Taring/Paving of gravel roads in Avian Park, Ward 12 (Streets: Sandpiper, Shrike, Suikerbekkie, Sunbird, Swan, Volstruis, Uil & Dikkop)	Forms part of BID BV 823/2020: Upgrading of Gravel Roads awarded to JVZ Construction. Anticipated commencement August 2021. Anticipated completion during January/February 2022
2	Taring of Fisant Street from corner of Albatros- to Eagle Street and from corner of Mossie- to Pigeon Street	Resurfacing of portion of Fisant Street (Albatros to Kingfisher and Mossie to Pigeon Street) was completed during the 2019/20 financial year
3	Taring of parking area in front of Huis Andries Hamman, Baring Street	For future budgetary consideration. Will form part of resurfacing of municipal roads when Baring Street's resurfacing takes place
4	Stronger lighting in Avian Park, Ward 12 (all streets)	Priority request is currently unfunded. In addition, the priority will not be considered in areas where high mast lights are installed. Damages to existing lighting should be reported in order to prioritise maintenance and repair

Table 109- Top four service delivery priorities for ward 12

### 3.7.13 Ward 13

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Resealing of Municipal Roads - Worcester	1 July 2020	30 June 2021	32 942 859*
2	Area Lighting	1 July 2020	30 June 2021	1 147 275*
3	Youth Café	1 July 2020	30 June 2021	600 000*

*The above analysis includes only the 3 largest capital projects of the ward*  
*\*Capital projects indicated by an asterisk are implemented across more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only*

Table 110- Capital projects of ward 13

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2020/21
1	Relocation of 7 outside toilets in houses at Riverview (addresses have been confirmed)	Approximately R1.5 million budgeted in 2021/22 for the relocation of outside toilets throughout the BVM. The relocation methodology/schedule will be reviewed to ensure that it is conducted in a more equitable manner throughout all wards (subject to available resources and qualifying criteria). In terms of qualifying criteria, the following citizen categories will be prioritised: the elderly, disabled and vulnerable. It is imperative to note that the budgeted amount will not address the entire backlog, hence, communities will be kept informed on the implementation methodology, list and progress made in this regard. This priority remains work in progress throughout BVM
2	Resealing of Roads: Taxi routes (Crotz Street, lower Sampson Street)	Resurfacing of Sampson and Crotz Streets were completed during the 2019/20
3	Paving of the sidewalk at Eden School (from entrance gate to road - approximate width 5m; length 3m)	Priority request to be investigated and subject to future budgetary consideration
4	Prevent illegal dumping in hotspot areas	The Waste Management Department will, in line with the budgeted operational funds, implement initiatives to prevent illegal dumping in hotspot areas. However, community support is required to ensure that illegal dumping is completely eradicated within the area

Table 111- Top four service delivery priorities for ward 13

### 3.7.14 Ward 14

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Resealing of Municipal Roads - Worcester	1 July 2020	30 June 2021	32 942 859*
2	Youth Café	1 July 2020	30 June 2021	600 000*
3	Fencing of Electrical Boxes	1 July 2020	30 June 2021	60 000
<p><i>The above analysis includes only the 3 largest capital projects of the ward</i>  <i>*Capital projects indicated by an asterisk are implemented across more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only</i></p>				

Table 112- Capital projects of ward 14

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2020/21
1	Upgrade of streetlights in Victoria Park & Riverview apartment blocks	Priority request to be investigated and subject to future budgetary consideration

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2020/21
2	Fencing of electrical boxes (1 opposite the K apartment block, and 1 opposite the S & T apartment blocks)	R60 000 has been budgeted towards the fencing of electrical boxes in 2020/21 (R44 683 spent)
3	Speed calming mechanism in Davids- and Helena Streets	Speedhumps at David Streets is completed (November 2020). R2 million has been budgeted in 2021/22 towards the construction of speedhumps throughout BVM. Helena Street will therefore be considered, subject to an analysis of all requests for speedhumps (in accordance with the set criteria)
4	Maintenance of rental units & fencing of Riverview apartment blocks	Fencing of Riverview flats are not practical/possible. An investigation will be conducted by the Directorate Community Services to determine the feasibility and possibility of fencing a block, which will also provide enhanced security measures. Alternative safety and security measures should be considered

Table 113- Top four service delivery priorities for ward 14

### 3.7.15 Ward 15

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Resealing of Municipal Roads - Worcester	1 July 2020	30 June 2021	32 942 859*
2	Area Lighting	1 July 2020	30 June 2021	1 147 275*
3	Worcester : Material Recovery Facility (MIG Counter funding)	1 July 2020	30 June 2021	123 577*

*The above analysis includes only the 3 largest capital projects of the ward*  
*\*Capital projects indicated by an asterisk are implemented across more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only*

Table 114- Capital projects of ward 15

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2020/21
1	Robot at the corner of Rabie- and Malan Street and the road must still be elevated at the Spar crossing	During the October 2020 engagement, the ward Councillor and committee recommended that this priority not be included on the 2021/22 priority list (robot not needed). A new priority was formulated. As a result, no further input is provided hereon
2	Regular cleaning in Ward 15	Two teams have been appointed to conduct area cleaning in the following areas: Langerug, Somerset Park, Hospital Park, Fairy Glen, Bergsig, Roux Park, Reunion Park, Paglande, Meirings Park, Panorama, Van Riebeeck Park and Worcester West. The teams commenced with the works as from 22 April 2021 and comprised of 10 members and 1 supervisor. The teams

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2020/21
		will focus on (amongst others) general area cleaning, pruning of trees, and cleaning of stormwater catch pits. A dedicated municipal vehicle has been set aside to assist the team with the removal of refuse/waste material as the team progresses through the designated area. In addition, the team have been tasked to aid in identifying potholes as they progress through the designated working area, that will ultimately be submitted to the Roads and Stormwater Department for further actioning/repairs. The programme has been approved for continuation in 2021/22
3	A request to clean and maintain the side walk in Altona Boulevard	Two teams have been appointed to conduct area cleaning in the following areas: Langerug, Somerset Park, Hospital Park, Fairy Glen, Bergsig, Roux Park, Reunion Park, Paglande, Meirings Park, Panorama, Van Riebeeck Park and Worcester West. The teams commenced with the works as from 22 April 2021 and comprised of 10 members and 1 supervisor. The teams will focus on (amongst others) general area cleaning, pruning of trees, and cleaning of stormwater catch pits. A dedicated municipal vehicle has been set aside to assist the team with the removal of refuse/waste material as the team progresses through the designated area. In addition, the team have been tasked to aid in identifying potholes as they progress through the designated working area, that will ultimately be submitted to the Roads and Stormwater Department for further actioning / repairs. The programme has been approved for continuation in 2021/22
4	Cameras on the traffic lights in the intersection	Currently, mobile cameras are placed at the intersection from time to time. During the October 2020 engagement, the ward councillor and committee recommended that this priority be removed, and that regular traffic law enforcement be conducted in the area

Table 115- Top four service delivery priorities for ward 15

### 3.7.16 Ward 16

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Zwelethemba - New Swimming Bath	1 July 2020	30 June 2021	9 648 176*
2	Jet Vac trok	1 July 2020	30 June 2021	2 685 276*

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
3	Shared Economic Infrastructure Facility for informal traders in Zwelethemba	1 July 2020	30 June 2021	138 379*
<p><i>The above analysis includes only the 3 largest capital projects of the ward</i></p> <p><i>*Capital projects indicated by an asterisk are implemented across more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only</i></p>				

Table 116- Capital projects of ward 16

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2020/21
1	Access to electricity, water and toilets in Mandela North	In principle, all sites within the urban edge and on municipal land do have access to electricity and toilets. Households on private land have access to basic services (water and sanitation). The urban edge has been extended to include New Mandela, hence the provision of services will be planned and prioritized. Will form part of the housing delivery. An NGO has been appointed to conduct a full assessment of the area, which will provide insights into the full extent of the need pertaining to services. This will enable the Municipality to make informed decisions regarding the way forward in this regard
2	Relocate outside toilets into houses – Matsila- & Fulang Avenues	Approximately R1.5 million budgeted in 2021/22 for the relocation of outside toilets throughout the BVM. The relocation methodology/schedule will be reviewed to ensure that it is conducted in a more equitable manner throughout all wards (subject to available resources and qualifying criteria). In terms of qualifying criteria, the following citizen categories will be prioritised: the elderly, disabled and vulnerable. It is imperative to note that the budgeted amount will not address the entire backlog, hence, communities will be kept informed on the implementation methodology, list and progress made in this regard. This priority remains work in progress throughout BVM. The list of addresses has been received from the councillor and is being prioritized for implementation within the 2021/22 financial period
3	Provision of housing in New Mandela	New Mandela beneficiary selection has been completed. BVM has submitted all relevant documents to the Western Cape Department of Human Settlements and the funding agreement will be issued in due time. The construction of houses can commence subject to available funding. The department must also confirm the targets for this financial year. The municipal department remains in continuous deliberations with national and provincial departments,



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2020/21
		and is hopeful that tangible progress will be presented in due course
4	Regular maintenance of sewerage and stormwater systems	The Municipality anticipates to appoint a consultant to conduct a detailed assessment of the sewer system (anticipated appointment date 30 June 2021). The assessment will include (amongst others) a detailed analysis of the current capacity, additional need requirements from a technical perspective and also possible system designs/upgrades. The findings hereof, will feed into a second tender process, that will seek to appoint a service provider that can commence with the upgrading of the system within the hotspot areas (i.e. Zwelethemba, Roodewal, Riverview & Avian Park). R15 million has been budgeted across the 2021/22 – 2023/24 MTREF to commence with the implementation of this priority. In the interim, pro-active maintenance remains intact. Additional jet-vacs are being leased to assist with the current load. The Municipality also reviews the allocation and utilization of internal fleet allocated for this purpose, to ensure an optimal response to related service delivery complaints

Table 117- Top four service delivery priorities for ward 16

### 3.7.17 Ward 17

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Zwelethemba - New Swimming Bath	1 July 2020	30 June 2021	9 648 176*
2	Resealing of Municipal Roads - Zwelethemba	1 July 2020	30 June 2021	5 670 775*
3	Shared Economic Infrastructure Facility for informal traders in Zwelethemba	1 July 2020	30 June 2021	138 379*
<p><b>The above analysis includes only the 3 largest capital projects of the ward</b></p> <p><b>*Capital projects indicated by an asterisk are implemented across more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only</b></p>				

Table 118- Capital projects of ward 17

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2020/21
1	Upgrading of sewerage and sanitation system including the hostel houses' sewerage	The Municipality anticipates to appoint a consultant to conduct a detailed assessment of the sewer system (anticipated appointment due date - 30 June 2021). The assessment will include (amongst others) a detailed analysis of the current capacity, additional need requirements from a technical perspective and also possible system designs/upgrades. The findings



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2020/21
		hereof, will feed into a second tender process, that will seek to appoint a service provider that can commence with the upgrading of the system within the hotspot areas (i.e. Zwelethemba, Roodewal, Riverview & Avian Park). R15 million has been budgeted across the 2021/22 – 2023/24 MTREF to commence with the implementation of this priority. In the interim, proactive maintenance remains intact. Additional jet-vacs are being leased to assist with the current load. The Municipality also reviews the allocation and utilization of internal fleet allocated for this purpose, to ensure an optimal response to related service delivery complaints
2	Speedhumps in Fulang-, Ngethu-, Mayinjana- & Simanga Avenue	2 x Speedhumps in Fulang were completed (Nov 2020), 1 x Speedhump completed in Ngethu (Nov 2020). In addition, R2 million (2021/22) has been budgeted towards the construction of speedhumps throughout BVM. The remaining requests for speedhumps will therefore be considered in accordance with all related priorities received throughout the BVM, based on the qualification criteria (i.e. road classified with high vehicle and pedestrian traffic, located near institutions such as a schools and/or churches)
3	Construction of toilets at Heritage Park (2 toilets - male & female)	For future budgetary consideration
4	Relocation of outside toilets	Approximately R1.5 million budgeted in 2021/22 for the relocation of outside toilets throughout the BVM. The relocation methodology/schedule will be reviewed to ensure that it is conducted in a more equitable manner throughout all wards (subject to available resources and qualifying criteria). In terms of qualifying criteria, the following citizen categories will be prioritised: the elderly, disabled and vulnerable. It is imperative to note that the budgeted amount will not address the entire backlog, hence, communities will be kept informed on the implementation methodology, list and progress made in this regard. This priority remains work in progress throughout BVM. Relocation within ward 17 will be prioritised in the 2022/23 financial period

Table 119- Top four service delivery priorities for ward 17

### 3.7.18 Ward 18

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Zwelethemba - New Swimming Bath	1 July 2020	30 June 2021	9 648 176*

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
2	Resealing of Municipal Roads - Zwelethemba	1 July 2020	30 June 2021	5 670 775*
3	Shared Economic Infrastructure Facility for informal traders in Zwelethemba	1 July 2020	30 June 2021	138 379*

*The above analysis includes only the 3 largest capital projects of the ward*  
*\*Capital projects indicated by an asterisk are implemented across more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only*

Table 120- Capital projects of ward 18

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2020/21
1	Tarring of roads in Asla phase 1 & 2 & New Mandela (Streets: Busika; Dyabooi; Fadana; Ekwindla; Ikhozi; Tshazimpuzi; Mroxisa; and Malangeni)	459,19 m2 tarred at a cost of R118 157,85 in Makoala Street. In addition, R10 million has been budgeted towards the upgrade of gravel roads throughout the entire municipal area in the 2 outer years respectively (i.e. 2022/23 and 2023/24). As a result, this priority remains on the planning agenda
2	High-mast light (corner of Njila- and Jack Avenue)	R4.5 million has been budgeted in the 2021/22 financial period for the erection of high mast lights throughout the BVM. This priority will therefore be considered in accordance with the collective priority requests received for high mast lights/area lighting throughout the BVM, coupled with available funding
3	Water, toilets and electricity for Swartpad residents in Mandela Square	All sites within the urban edge and on municipal land do have access to electricity and toilets. Households on private land have access to basic services (water and sanitation). An NGO has been appointed to conduct a full assessment of the area, which will provide insights into the full extent of the need pertaining to services. This will enable the Municipality to make informed decisions regarding the way forward in this regard
4	Playpark in Njila Avenue, Mandela Square, ASLA, corner of Busika Street & Colidiza Road	R1 million (2021/22) has been budgeted towards the development of playparks throughout BVM. It should be noted that the "development" implies procuring, delivering and installing play equipment within the park (limited to approximately R60 000 for play equipment per park). This priority will therefore be considered in the 2021/22 financial period

Table 121- Top four service delivery priorities for ward 18.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.7.19 Ward 19

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Resealing of Municipal Roads - Rawsonville	1 July 2020	30 June 2021	2 209 297*
2	Rawsonville WWTW - Upgrade Waste Water Treatment Works	1 July 2020	30 June 2021	350 000*
3	Speed humps - Goedeman str	1 July 2020	30 June 2021	30 000
<p><i>The above analysis includes only the 3 largest capital projects of the ward</i></p> <p><i>*Capital projects indicated by an asterisk are implemented across more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only</i></p>				

Table 122- Capital projects of ward 19

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2020/21
1	Obtaining land for housing development	Availability of land suitable for housing development is currently limited within Rawsonville. Initial engagements on a potential private site, did not materialise due to reasons beyond the Municipality's control. It is imperative to note that a formal housing development process can only be considered once suitable land has been identified and secured for such purposes. In addition, this priority does not feature prominently on the provincial priority list, as the Transhex project will enjoy significant preference due to the magnitude of the project in terms of its anticipated housing yield
2	Host 4 sport events within ward	This priority is primarily driven/implemented by the ward councillor/committee as part of the ward-based funding programme. Due to the ongoing Covid-19 pandemic, no sport events could be held within the 2020/21 financial year. The Councillor/committee must specify the exact support required from the Municipality
3	Paving of sidewalks at new development	Anticipated cost of sidewalk R600 000. This priority remains on the planning horizon for future budgetary consideration
4	Develop a playpark at open space in Goedeman Park	According to the Parks Department, the community objected the development of a playpark. As a result, the priority was not pursued in 2020/21 and also does not feature on the 2021/22 priority list. Should this priority need still be applicable, the community would have to resubmit it in an IDP/budget public engagement process for inclusion on the priority list

Table 123- Top four service delivery priorities for ward 19

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.7.20 Ward 20

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Resealing of Municipal Roads - Rawsonville	1 July 2020	30 June 2021	2 209 297*
2	Rawsonville WWTW - Upgrade Waste Water Treatment Works	1 July 2020	30 June 2021	350 000*
3	Bus Stop - Rawsonville Primary School	1 July 2020	30 June 2021	30 000
<p><i>The above analysis includes only the 3 largest capital projects of the ward</i></p> <p><i>*Capital projects indicated by an asterisk are implemented across more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only</i></p>				

Table 124- Capital projects of ward 20

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2020/21
1	Ownership of Hamman Pieterse	Hamman Pieterse informal settlements is not subdivided and not transferrable for ownership. The settlement is situated in the flood line and in close proximity to the sewage network. As a result, development is prohibited in terms of the environmental legislation
2	A computer training centre for the youth	The old clinic was identified as a possible youth drop-in centre. Cape Access could not include the Rawsonville centre in their current budget. This priority will be referred to- and discussed with the Provincial Department of Cultural Affairs and Sport for possible consideration. In addition, a potential partnership with the private sector for implementation hereof, will also be explored. The process remains ongoing
3	Every shack to be equipped with a fire extinguisher and fire hydrant	Application for funding has been submitted to have smoke detectors installed in structures. To date, 100 smoke alarms have been installed in units located within Spokiesdorp. Installation remains ongoing
4	Robot at Geelkampie/De Nova Crossing	A robot at the crossing will not be feasible. Instead, an application was submitted to the CWDM to implement a 4-way stop with rumble strips to further calm traffic. This request/priority has also been incorporated in the District's Transport Plan and is anticipated to be finalised by 30 June 2021

Table 125- Top four service delivery priorities for ward 20

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.7.21 Ward 21

Capital Projects				
No.	Project Name and Detail	Start Date	End Date	Total Value R
1	Resealing of Municipal Roads - Worcester	1 July 2020	30 June 2021	32 942 859*
2	Speed humps in Avian Park, Roodewal, Riverview, Touwsrivier and Zwelethemba	1 July 2020	30 June 2021	295 727*
3	Worcester: Material Recovery Facility (MIG Counter funding)	1 July 2020	30 June 2021	123 577*

*The above analysis includes only the 3 largest capital projects of the ward*

*\*Capital projects indicated by an asterisk are implemented across more than one ward, hence, the value depicted has not necessarily been spent within the mentioned ward only*

Table 126- Capital projects of ward 21

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2020/21
1	Provision of recreational facilities behind Kogans- & Kelkiewyn Street (e.g. mini astro turf soccer field and/or playpark)	Numerous RSEP facilities have been constructed within Avian Park, which serves to benefit the residents of ward 21 as well. R1 million (2021/22) has been budgeted towards the development of playparks throughout BVM. It should be noted that the "development" implies procuring, delivering and installing play equipment within the park. This priority will therefore be considered in the 2021/22 financial period (subject to a complete need assessment, suitable availability of land, etc.)
2	Holistic Community Safety Program: eg. youth development, sports development, skills development programmes	The CSF has been re-established within BVM. The primary mandate of the CSF is to coordinate safety initiatives within the municipal area. In addition, Community Development is engaging with potential role-players to initiate community safety and sport development programmes. In terms of skills development, the municipal EPWP programme has been rolled-out in accordance with the approved project proposal(s) and available funding. Residents residing in ward 21 will, as customary practice, be considered for opportunities in future projects
3	Construction/delivery of community hall (with a seating capacity of 250 people) within Ward 21	The construction of a community hall is dependent on the availability of resources (i.e. suitably zoned land, as well as adequate funding mechanisms to finance initial construction- and subsequent maintenance costs - amongst others). As a result, this priority is not feasible for implementation in the short-term. The feasibility and practicality thereof will be considered for possible implementation in future (medium- to long term)
4	Housing - Completion of 708 project and development of open spaces for housing and development	205 houses were in process to be built. 143 houses have been completed. 21 of the 143 houses have been vandalized to such an extent that the project

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2020/21
		completion has been compromised. As a result, 62 houses could not be completed

Table 127- Top four service delivery priorities for ward 21

### COMPONENT A: BASIC SERVICES

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

#### 3.8 WATER SERVICES

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

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

Due to the Corona-virus pandemic, the National Department of Water and Sanitation provided water tanks to informal settlements to ensure that everyone have water readily available to them. Physical parameters such as pH, EC, and turbidity as well as microbiological test for E.coli was done on these samples. Weekly samples were collected from De Doorns, Worcester, Rawsonville and Touwsrivier. The tanks are still checked weekly and samples are taken at the tanks with water in.

One of the biggest threats and concern are the vandalism and theft at the vulnerable sewer pump stations in the different areas. Safeguarding of municipal infrastructure and assets must be prioritised.

The most crucial threat currently is the lack of sufficient funding to maintain and or replace ageing infrastructure and this shorten the lifespan of assets. Limited capital funding for replacement is also a threat to service delivery and the protection of the environment.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Existing pipelines, reservoirs and towers		
Existing Pipelines	Existing Reservoirs and Towers	
<b>Rawsonville</b>		
Bulk pipes	6 000	Rawsonville Reservoir
Network pipes	10 950	
Total (m)	16 905	
<b>Worcester</b>		
Bulk pipes	27 825	De Koppen, Langerug, Preloads, Worcester West Sump, Worcester West Upper
Network pipes	301 585	
Total (m)	329 410	
<b>De Doorns</b>		
Bulk pipes	8 880	De Doorns Lower, De Doorns Upper 1, De Doorns Upper 2, Orchard, N1 Reservoir 1, N1 Reservoir 1, Stofland Reservoir
Network pipes	26 565	
Total (m)	35 445	
<b>Touwsrivier</b>		
Bulk pipes	56 585	Crescent Lower, Crescent Lower Steenvliet
Network pipes	32 610	
Total (m)	89 195	

Table 128- Existing pipelines, reservoirs and towers

The table below gives a brief description of the highlight for water services during the 2020/21 financial year:

Highlight	Description
Constant delivering water of a good quality	Water quality complies to SANS 241

Table 129- Water services highlight

The table below gives a brief description of the water services challenges during the 2020/21 financial year:

Challenge	Corrective action
Not sufficient budget for maintenance of infrastructure	Additional funding must be allocated towards maintenance
Vacancies not filled	Urgent filling of all vacancies
Vandalism of infrastructure	Secure more funding for safeguarding of assets

Table 130- Water services challenges

### 3.8.1 Service delivery indicators: Water services

The key performance indicators for water services are:

Ref	KPI Name	Unit of Measurement	Wards	2019/20		Overall Performance for 2020/21		
				Target	Actual	Target	Actual	R
TL10	Number of formal residential	Number of residential properties that are	All	20890	21259	21 260	21 370	G2

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI Name	Unit of Measurement	Wards	2019/20		Overall Performance for 2020/21		
				Target	Actual	Target	Actual	R
	properties that are billed for water as at 30 June 2021	billed for residential consumption water meters charged residential domestic tariffs or residential flat rate tariffs using an erf as a household except municipal rental flats which will be measured by using the number of rental units.						
TL22	Limit unaccounted water losses to less than 25% by 30 June 2021 {(Number of kilolitres water available from reservoirs - number of kilolitres water sold) / (number of kilolitres water purchased or purified) x 100}	% unaccounted for water	All	21%	31.12%	<b>25.00%</b>	<b>24.28%</b>	B
TL33	Review 5 year Water Service Development Plan (WSDP) and submit to Council for approval by 31 May 2021	Reviewed WSDP submitted to Council by 31 May 2021	All	1	1	<b>1</b>	<b>1</b>	G
TL31	Achieve 95% average water quality level as measured per SANS 241 criteria during the 2020/21 financial year	% water quality level per quarter	All	95%	96.50%	<b>95.00%</b>	<b>95.13%</b>	G2

Table 131- Service delivery indicators: Water services



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

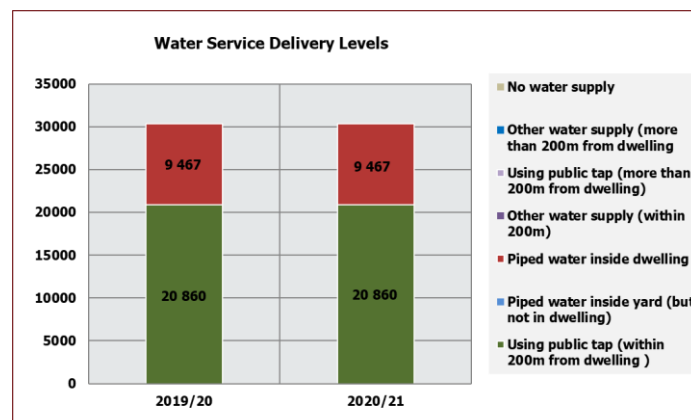
### 3.8.2 Water service delivery levels

Below is a table that specifies the different water service delivery levels per household **within the urban edge area** for the financial years 2019/20 and 2020/21.

Description	2019/20#	2020/21#
	Actual	Actual
<b>Household</b>		
<b>Water: (above minimum level)</b>		
Piped water inside dwelling	20 860	20 860
Piped water inside yard (but not in dwelling)	0	0
Using public tap (within 200m from dwelling)	9 467	9 467
Other water supply (within 200m)	0	0
<b>Minimum service level and above sub-total</b>	<b>30 327*</b>	<b>30 327</b>
<b>Minimum service level and above percentage</b>	<b>100</b>	<b>100</b>
<b>Water: (below minimum level)</b>		
Using public tap (more than 200m from dwelling)	0	0
Other water supply (more than 200m from dwelling)	0	0
No water supply	0	0
<b>Below minimum service level sub-total</b>	<b>0</b>	<b>0</b>
<b>Below minimum service level percentage</b>	<b>0</b>	<b>0</b>
<b>Total number of households (formal and informal)</b>	<b>30 327</b>	<b>30 327</b>
*Total reflects the total number of households including households not separately billed		
# Data in line with SAMRAS and the Breede Valley Municipality database		

Table 132- Water service delivery levels

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



Graph 6: Water service delivery levels

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.8.3 Employees: Water services

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

Occupational Level	2019/20	2020/21			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	1	1	0	1	100.00
Senior Management	2	2	2	0	0.00
Middle Management and Professionals	0	0	0	0	0.00
Skilled Technical, Superintendents etc	16	16	7	6	37.50
Semi-skilled	13	13	7	3	23.08
Unskilled	45	45	36	2	4.44
<b>Total</b>	<b>76</b>	<b>74</b>	<b>52</b>	<b>12</b>	<b>16.22</b>

Table 133- Employees: Water services

### 3.8.4 Capital expenditure: Water services

The table below indicates the amount that was actually spent on water services projects for the 2020/21 financial year:

Capital projects	2020/21				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value
(R)					
Reservoirs : Pre-loads	12 053 101	1 464 778	1 310 905	153 873	1 310 905
Replacement of Water Network (Roll-over)	1 000 000	1 000 000	936 914	63 086	936 914
De Doorns Water Purification Works : Augmentation of DAF Unit (MIG funding)	3 211 741	0	0	0	0
Water Connections	2 719 200	2 719 200	1 713 751	1 005 450	1 713 751
Site A - Meirings Park (Erven 1, 6920, 6921)Water	0	292 085	233 189	58 896	233 189

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Capital projects	2020/21				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value
(R)					
<b>Total all</b>	<b>18 984 042</b>	<b>5 476 063</b>	<b>4 194 759</b>	<b>1 281 304</b>	<b>4 194 759</b>
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)</i>					

Table 134- Capital expenditure 2020/21: Water services

### 3.9 SANITATION SERVICES

In South Africa, local government is responsible for delivering services contributing to the quality of life for its citizens. These services include water supply, sewage collection and wastewater treatment. Sanitation tariffs are levied for sanitation services and must be managed in a sustainable and equitable way to ensure that enough income is generated for supporting ongoing operation, maintenance and upgrading of sanitation services. To achieve good management, it is important to have guidelines in place for properly planning, organizing, controlling, and executing service delivery to successfully run and controlling a business. Municipal By-laws contain such guidelines and are therefore important tools for good governance.

Sewage and wastewater are produced by a variety of industrial, commercial, and domestic activities. In terms of Municipal Water Services By-laws, all discharges into sewer system should be authorized and levied. Payment for this service is collected through sewerage charges on each rateable property. As industrial and commercial wastewaters impose an additional load on the sewer system and thus also impact on the operation & maintenance cost thereof, it must comply with the Municipal Industrial Effluent (Trade Effluent) By-laws. These by-laws regulate the composition and concentration of effluent, the cost associated with the treatment thereof and the type of pre-treatment applicable or required.

This legislation is a tool for good management practices, efficient administration and supplies working methods enabling municipalities to protect sewer infrastructure, safely collect and transport wastewater, monitor discharges to sewer systems and ensure that effluent from treatment works comply with set national standards.

Sewerage Reticulation and Wastewater Treatment are some of the most expensive services that a municipality supplies to its residents. It is of great importance to manage these services in a sustainable and equitable way ensuring that enough income is generated to pay for Planning, Designing, Constructing, Operating and Maintaining the total service to the benefit of all residents. Financial sustainability of wastewater reticulation systems and treatment works are of prime importance. Tariffs need to reflect this and not be based just on the transport and operating costs of wastewater treatment. A wastewater Treatment Works has a certain lifespan and during this time there are many parts which will need replacement and others that will need extensive refurbishment. Also, there is the day to day maintenance of the expensive plant and equipment. It is crucial that these costs are included in the tariff. Like any

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

complex operation, it is required that the personnel operating and managing the Wastewater Treatment are skilled to do so. Investment in these Process Controllers will ensure better operation of the Works and a reduction in the use of power which is the most expensive commodity used.

The table below gives a brief description of all the highlights for sanitation services during the 2020/21 financial year:

Highlight	Description
Water and Waste Water NQF 2, 3 and 4 Training	NQF 2 = 6 candidates
	NQF 3 = 6 candidates
	NQF 4 = 11 candidates

Table 135- Sanitation services highlights

Fortunately, the whole Green Drop initiative is slowly busy to get momentum again and hopefully Department of Water and Sanitation will be able to implement and regulate water and waste water quality in South Africa again from August 2021. The Green Drop system will be able to generate Process Controller certificates again.

The Waste Water Treatment Works (WWTW) located within Rawsonville and Touwsrivier respectively, are under serious constrain due to hydraulic and organic overloading and must be upgraded urgently. Consulting engineers were appointed and are busy with the design phase. The Covid-19 epidemic and subsequent lockdown measures that were implemented had a delay on most activities of Breede Valley Municipality including the SCM processes.

One of the biggest threats and concern are the vandalism and theft at the vulnerable sewer pump stations in the different areas. Safeguarding of municipal infrastructure and assets must be prioritised.

The most crucial threat currently is the lack of sufficient funding to maintain and or replace ageing infrastructure and this shorten the lifespan of assets. Limited capital funding for replacement is also a threat to service delivery and the protection of the environment.

### 3.9.1 Waste Water Treatment

BVM is responsible for the following Wastewater Treatment systems:

- Worcester
- Rawsonville
- De Doorns
- Touwsrivier

### Industries

The BVM Laboratory is sampling the effluent of several industries on a monthly and quarterly basis, based on the quality of their effluent and the amount of effluent discharged. The industries being monitored on a monthly/quarterly basis have a permit to discharge wastewater in terms of the Breede Valley Municipality Water Services By-laws. There are currently about 19 industrial/commercial businesses with a permit which is monitored by the laboratory on a monthly/quarterly basis. This number increases monthly as there is a dedicated industrial effluent administrator which

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

is working to get all industries and commercial business to comply with Breede Valley Municipality effluent discharge plan and that they comply with the effluent discharge limits.

### SARS-Cov2 – Covid-19 (South African Medical Research Council)

The Breede Valley Municipality (BVM) is part of the South African Medical Research Council (SAMRC) wastewater-based early warning system for Covid-19. The collection of sampling commenced October 2020 and is ongoing until further notice. The wastewater samples are collected from the wastewater treatment works at Worcester, Rawsonville, Touwsrivier and De Doorns. BVM is in partnership with SAMRC and the Laboratory Services of BVM is responsible for the sampling of the inlet water (raw water) from the respective wastewater treatment works. SAMRC is responsible for the samples to be collected at the last point of sampling, which is in Rawsonville, and all analysis is done by SAMRC. Results are provided to the Breede Valley Municipality on a weekly basis.

### 3.9.2 Service delivery indicators: Sanitation services

The key performance indicators for sanitation services are:

Ref	KPI Name	Unit of Measurement	Wards	2019/20		Overall Performance for 2020/21		
				Target	Actual	Target	Actual	R
TL12	Number of formal residential properties that are billed for sanitation/sewerage services as at 30 June 2021	Number of residential properties that are billed for residential sewerage tariffs using the erf as property	All	18620	18646	<b>18 650</b>	<b>19 138</b>	G2
TL34	80% of sewerage samples comply with effluent standard during the 2020/21 financial year {(Number of sewerage samples that comply with General Authorisation/Number of sewerage samples tested)x100}	% of sewerage samples compliant	All	80%	75.87%	<b>80.00%</b>	<b>87.66%</b>	G2

Table 136- Service delivery indicators: Sanitation services

### 3.9.3 Sanitation service delivery levels

Local government in South Africa is responsible for delivering services that contribute to the quality of life for citizens. It is a constitutional right to have a safe and protected environment. Sewerage rates are levied for sanitation services (gravity pipes, rising main pipes, valves, manholes, pump stations, treatment works). These rates cover operation and maintenance cost of the sewerage system and waste water treatment. Service delivery must be balanced between level of service and affordability within the municipal boundaries.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Sewer reticulation systems are designed for domestic sewerage only. Blockages are caused by social economic problems, limited resources, and lack of maintenance. Vandalism, theft, inappropriate items, unlawful disposal of fats, oils and grease, illegal connections and water restrictions all contribute to blockages. With the increase in the number of sewer blockages, preventative maintenance of the sewer reticulation system is limited and subsequently the system is put under stress. Opening sewer blockages takes priority to limit nuisances, health risks and environmental pollution.

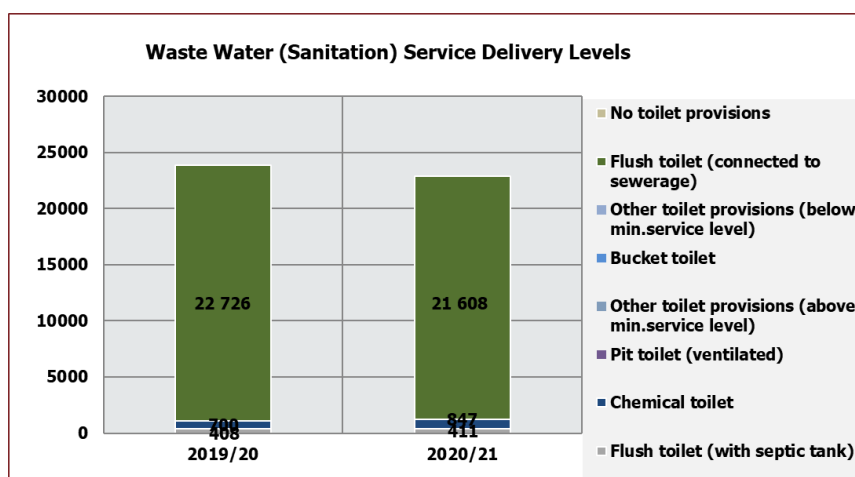
The table below specifies the different sanitation service delivery levels per household **within the urban edge area** for the financial years 2019/20 and 2020/21.

Description	2019/20	2020/21
	Actual	Actual
<b>Household</b>		
<b><i>Sanitation/sewerage: (above minimum level)</i></b>		
Flush toilet (connected to sewerage)	22 726	21 608
Flush toilet (with septic tank)	408	411
Chemical toilet	700	847
Pit toilet (ventilated)	0	0
Other toilet provisions (below minimum service level)	0	0
<b><i>Minimum service level and above sub-total</i></b>	<b>23 834</b>	<b>22 866</b>
<b><i>Minimum service level and above percentage</i></b>	<b>100</b>	<b>100</b>
<b>Below minimum service level</b>		
Bucket toilet	0	0
Other toilet provisions (below minimum service level)	0	0
No toilet provisions	0	0
<b><i>Below minimum service level sub-total</i></b>	<b>0</b>	<b>0</b>
<b><i>Below minimum service level percentage</i></b>	<b>0</b>	<b>0</b>
<b>Total number of households</b>	<b>23 834</b>	<b>22 866</b>
*Total reflects the total number of households including households not separately billed		
# Data in line with SAMRAS and the Breede Valley Municipality database		

Table 137- Sanitation service delivery levels

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

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



Graph 7: Sanitation service delivery levels

### 3.9.4 Employees: Sanitation services

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

Occupational Level	2019/20	2020/21			Vacancies (as a % of total Budgeted Posts)
		Budgeted Posts	Employees	Vacancies	
Number					
Top Management	1	1	0	1	100.00
Senior Management	2	2	2	0	0.00
Middle Management and Professionals	4	4	4	0	0.00
Skilled Technical, Superintendents etc	15	15	12	3	20.00
Semi-skilled	41	41	34	7	17.07
Unskilled	44	44	22	22	50.00
<b>Total</b>	<b>107</b>	<b>107</b>	<b>74</b>	<b>33</b>	<b>30.84</b>

Table 138- Employees: Sanitation services

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.9.5 Capital expenditure: Sanitation services

The table below indicates the amount that was actually spent on sanitation services projects for the 2020/21 financial year:

Capital projects	2020/21				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value
(R)					
Touwsrivier WWTW - Machinery and Equipment	0	87 745	86 478	1 267	86 478
Worcester WWTW - Machinery and Equipment (Lab incl)	0	313 768	313 768	0	313 768
Office furniture chairs and table	5 000	4 831	4 830	1	4 830
Rawsonville WWTW - Upgrade Waste Water Treatment Works	0	350 000	338 402	11 599	338 402
Transhex: External Stormwater pipeline (MIG)	6 948 409	0	0	0	0
Sewer Connections	1 120 000	1 120 000	0	1 120 000	0
Jet Vac trok	3 500 000	2 685 276	2 685 275	1	2 685 275
Water & sewer -Upgrading of Building and Facilities	0	540 125	540 125	0	540 125
Site A - Meirings Park (Erven 1, 6920, 6921)Sewer	0	876 009	652 757	223 252	652 757
<b>Total all</b>	<b>11 573 409</b>	<b>5 977 754</b>	<b>4 621 634</b>	<b>1 356 120</b>	<b>4 621 634</b>
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table 139- Capital expenditure 2020/21: Sanitation services

### 3.10 ELECTRICITY

Electricity and street lighting are provided to all formal settlements and street or high-mast lights are provided to most informal areas in the Breede Valley Region.

Load shedding occurred for approximately 859 hours during the 2020/21 financial year. Electricity usage growth forecast (kWh) decreased with an average of 2.38% and the Maximum Demand decreased with 0.19% during the 2020/21 financial year due to load shedding and small-scale embedded generation.

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



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

The quality of electricity supply is dependent on the ability of the Municipality to properly maintain its assets. Cooperation of residents to ensure that electrical service stations/equipment are not vandalised and tampered with. The Municipality has established a hotline for residents to report any illegal or unauthorised incidents that negatively affect the efficient service delivery across the Breede Valley Municipality.

### 3.10.1 Service delivery highlights

The table below gives a brief description of all the highlights for electricity during the 2020/21 financial year:

Highlight	Description
Riverview Flats public lighting	Additional amount of 144 LED fittings for public lighting were installed.
Maintenance of electrical network due to theft and vandalism in Roodewal area.	Replacement of overhead copper conductor with aluminium conductor in Roodewal area.
Maintenance of electrical network in Touwsriver.	Replacement of overhead copper conductor with aluminium conductor in Logan Street, Touwsriver.

Table 140- Electricity highlights

### 3.10.2 Service delivery challenges

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

Challenge	Corrective action
Theft and vandalism of electrical equipment such as cables, overhead conductors, streetlights, distribution boxes, substations, etc within BVM	Replacing copper with aluminium conductors. Further investigate streetlight fittings to introduce vandal proof equipment. Install fencing, alarm and camera systems to protect electrical equipment
Illegal connections connected onto the electrical network	Remove illegal connections with the assistance of ward councillors
Limited resources to ensure continuous service delivery	Prioritise the filling of all vacant positions

Table 141- Electricity challenges

### 3.10.3 Service delivery indicators: Electricity services

The key performance indicators for electricity are:

Ref	KPI Name	Unit of Measurement	Wards	2019/20		Overall Performance for 2020/21		
				Target	Actual	Target	Actual	R
TL11	Number of residential properties which are billed for electricity or have pre-paid meters (excluding Eskom Electricity)	Number of residential properties that are billed for electricity or have pre-paid meters, charged on the residential tariffs for consumption and	All	22580	22532	22 580	24 539	G2

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI Name	Unit of Measurement	Wards	2019/20		Overall Performance for 2020/21		
				Target	Actual	Target	Actual	R
	supplied properties) as at 30 June 2021	residential prepaid tariffs						
TL21	Limit unaccounted electricity losses to less than 10% by 30 June 2021 {(Number of Electricity Units Purchased -Number of Electricity Units Sold) / (Number of Electricity Units Purchased) x100}	% unaccounted for electricity	All	10%	5.41%	10.00%	7.05%	B
TL35	Spend 90% of the electricity capital budget by 30 June 2021 {(total actual capital project expenditure/total capital project budget) x 100}	% of the electricity capital project budget spent	All	90%	56.93%	90.00%	89.22%	O
TL36	Spend 90% of the electricity maintenance budget by 30 June 2021 {(total actual maintenance expenditure/total maintenance budget) x 100}	% of the electricity maintenance budget spent	All	90%	46.62%	90.00%	63.12%	R

Table 142- Service delivery indicators: Electricity services

### 3.10.4 Electricity service delivery levels

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

Description	2019/20	2020/21
	Actual	Actual
<b>Household</b>		
<b>Energy: (above minimum level)</b>		
Electricity (at least minimum service level)	1 800	1 647
Electricity - prepaid (minimum service level)	21 253	21 320
<b>Minimum service level and above sub-total</b>	<b>23 053</b>	<b>22 967</b>

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

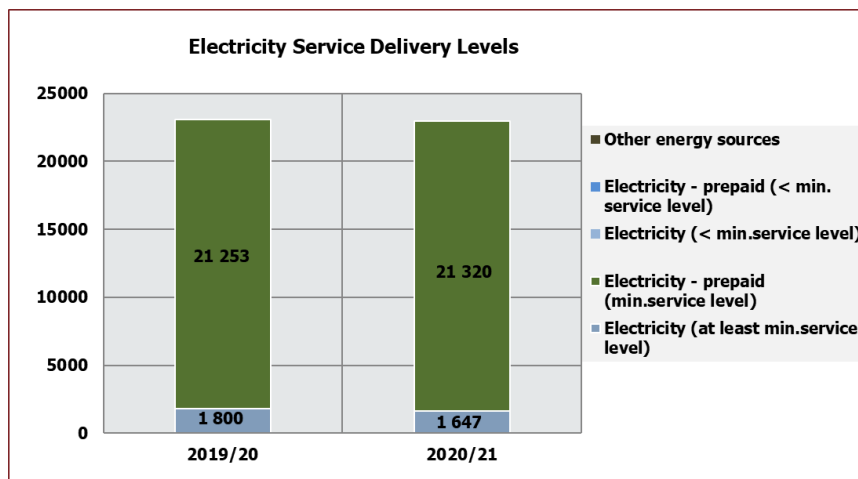
Description	2019/20	2020/21
	Actual	Actual
<b>Household</b>		
<b>Minimum service level and above percentage</b>	<b>100%</b>	<b>100%</b>
<b>Energy: (below minimum level)</b>		
Electricity (< minimum service level)	0	0
Electricity - prepaid (< minimum service level)	0	0
Other energy sources	0	0
<b>Below minimum service level sub-total</b>	<b>0</b>	<b>0</b>
<b>Below minimum service level percentage</b>	<b>0</b>	<b>0</b>
<b>Total number of households</b>	<b>23 053*</b>	<b>22 967</b>

\*Electricity service delivery include Eskom provision

# Data in line with SAMRAS and the Breede Valley Municipality Syntell database

Table 143- Electricity service delivery levels

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



Graph 8: Electricity service delivery levels

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.10.5 Employees: Electricity services

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

Occupational Level	2019/20	2020/21			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	1	1	1	0	0.00
Senior Management	2	2	2	0	0.00
Middle Management and Professionals	7	7	5	2	28.57
Skilled Technical, Superintendents etc	17	17	10	7	41.18
Semi-skilled	18	18	16	2	11.11
Unskilled	22	22	19	3	13.64
<b>Total</b>	<b>67</b>	<b>67</b>	<b>53</b>	<b>14</b>	<b>20.90</b>

Table 144- Employees: Electricity services

### 3.10.6 Capital expenditure: Electricity services

The table below indicates the amount that was actually spent on electricity services projects for the 2020/21 financial year:

Capital projects	2020/21				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value
(R)					
Transhex : Electrical Reticulation	22 097 000	17 000 000	17 000 000	0	16 999 999
Refurbishment of electrical system	0	1 700 000	490 865	1 209 135	490 865
Cherry Picker vehicles	3 860 114	0	0	0	0
2) Quality of supply data loggers and monitoring equipment.	1 000 000	0	0	0	0
Ward6 - Fencing of substation	0	38 723	38 722	1	38 722

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Capital projects	2020/21				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value
(R)					
Replace 11 Kv cable from Mc Allistor to Field Sub	0	3 964 301	2 909 911	1 054 390	2 909 911
Ward 11 : Fencing of Electrical Boxes	0	60 000	38 452	21 548	38 452
Fencing of Electrical Boxes	0	60 000	44 683	15 317	44 683
Electricity Connections	0	260 659	180 200	80 459	180 200
Site A - Meirings Park (Erven 1, 6920, 6921)Electricity	0	1 974 206	1 718 882	255 324	1 644 092
Site D - Avian Park (25 Erven)Electricity	0	450 000	429 673	20 327	424 948
New High Mast Lighting - Worcester: Zweletemba Housing Project	7 871	0	0	0	0
Area Lighting	1 147 275	1 147 275	929 224	218 051	929 224
<b>Total all</b>	<b>28 112 260</b>	<b>26 655 164</b>	<b>23 780 612</b>	<b>2 874 552</b>	<b>23 701 097</b>

*Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).*

Table 145- Capital expenditure 2020/21: Electricity services

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

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

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

Table 146- Refuse removal by population group of head of household (Census 2011)

BVM has three landfill sites located in Worcester, De Doorns and Touwsrivier. The Municipality only uses the Worcester and De Doorns landfill sites to dispose of general waste, garden refuse and builder's rubble. Wheelie bins (240 litre) have been supplied to all middle and high-income groups in Worcester, De Doorns and Rawsonville. The bins are placed

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

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outside the households for weekly collection as per the collection schedule. The middle and high-income groups take part in a separation at source initiative, where the BVM supply clear bags to the households to be used for recyclable materials. The bags are issued to the residents on a weekly basis. The clear recycling bags are collected by the Municipality on a weekly basis and transported to the local recycling companies, as well as the Municipal Material Recovery Facility (MRF). Touwsrivier and surrounding areas make use of a black bag system. The black bags are placed outside the households and collected on a weekly basis as per the collection schedule.

The informal settlements make use of skips for waste collection. The Municipality collect the skips and transports them to the Worcester Landfill Site, where the waste is disposed. There is no collection service to farmers and rural households due to long transporting distances and limited accessibility. Farmers offload their waste at the disposal sites free of charge. The BVM provides basic refuse removal services to Worcester, De Doorns, Touwsrivier, Rawsonville and surrounding areas. The BVM has identified multiple illegal dumping sites, especially in rural areas and informal settlements and plans to establish drop-off points in these areas to reduce the occurrence of illegal dumping.

The Breede Valley municipal area have a hazardous waste disposal facility. This is not to cater for medical waste and industrial sector needs, but exclusively for small quantities of household hazardous waste such as pesticides. Two 5m<sup>3</sup> skips were placed at Worcester Landfill Site for disposal purposes. BVM bear the cost of transport and disposal to Vissershok Landfill Site. Industries are serviced by the private industry and contractors, who remove such waste mainly to the Vissershok facility near Cape Town.

### **De Doorns Landfill Site**

The De Doorns Landfill Site is used to dispose of general waste, garden refuse and builder's rubble. The landfill site is plagued by informal waste pickers daily. These waste pickers earn a living from collecting, sorting and selling recyclable materials, such as paper, aluminium and plastics found mainly on the streets, in residential and commercial areas, or at landfill sites. The lack of security measures is of a great concern to the Municipality and gives rise to vandalism and no access control. Recycling at source takes place in a few households and will soon be reintroduced and promoted to the community. Approximately 200 recycling bags are removed from households and transported to the Breede Valley MRF.

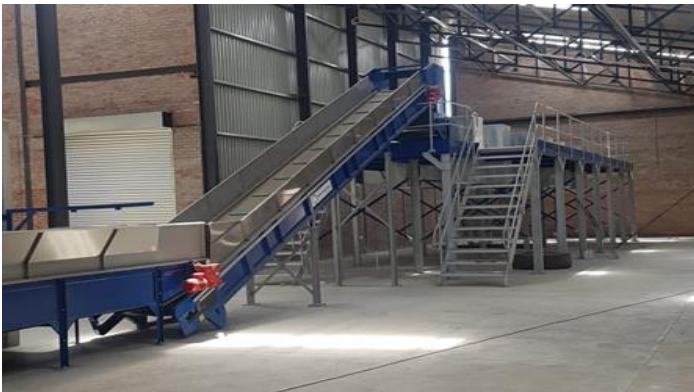
### **Worcester MRF:**

The MRF near the Worcester landfill site was completed in May 2020. An environmental impact study was conducted by Cape Winelands District Municipality for a new regional landfill site within the Worcester area. The license was granted by the Department of Environmental Affairs and Development Planning on the 26 November 2019. The facility is only permitted for the disposal of general waste.

The Facility opened on 1 November 2020 and appointed 25 new employees from the EPWP project.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

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The Integrated Waste Management Plan (IWMP) is the fourth generation IWMP of BVM (compiled by Delta Environmental Consultants in May 2021). The primary objective being to ensure that waste management practices in the BVM comply with the National Environmental Management: Waste Act, 2008 (Act No. 59 of 2008). Implementation of this IWMP will be facilitated through municipal by-laws and in accordance with an implementation schedule.

The IWMP was tabled to Council on 28 July 2020 and was recommended for implementation for the financial years of 2021 to 2025. The IWMP forms part of the IDP required in terms of Chapter 5 of the Municipal Systems Act. In order to align the IMWP with the IDP (2019-2020) of BVM, the strategic goals from the IDP were considered in this IMWP.

The Draft National Waste Management Strategy (NWMS) (3 December 2019) provides eight goals and targets for municipalities to ensure that the waste management hierarchy is implemented. The NWMS strategies and goals are:

- Promote waste minimisation, re-use, recycling and recovery of waste;
- Ensure effective and efficient delivery of waste services;
- Grow the contribution of the waste sector to the green economy;
- Ensure that people are aware of the impact of waste on their health, well-being and the environment;
- Achieve integrated waste management planning;
- Ensure sound budgeting and financial management for waste services;
- Provide measures to remediate contaminated land; and
- Establish effective compliance with and enforcement of the Waste Act.

In order to align the BVM identified goals and targets with those of the Western Cape IWMP (2017 -2023) and the National Waste Management Strategy, the following goals and targets were identified for BVM:

- Goal 1: Promote waste minimisation and public awareness;
- Goal 2: Effective solid waste service delivery;
- Goal 3: Reduce illegal dumping;
- Goal 4: Improve waste information management;
- Goal 5: Ensure sound budgeting for integrated waste management;
- Goal 6: Improve regulatory compliance; and
- Goal 7: Ensure safe integrated management of hazardous waste.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### a) *Recycling at Source*

The BVM encourages households to engage in separation at source activities. The middle and high-income areas are participating in the separation at source system. The recyclables from the households are collected by the Municipality and transported to private recycling companies. Four organizations were registered as waste management companies with the BVM. The four companies are:

- Beirowplas Recycling;
- Association for People with Disabilities (APD);
- Green Valley Global Recyclers; and
- Rewin Waste.

All four of the waste management companies report waste information to the BVM.

Due to the negative economic impact that was sustained during the lockdown period, three (3) of the four (4) recycle companies closed their business in the second half of 2020.

Wards participating in separation at source (2020):

Ward	Areas in Ward Participating in Separation at Source
Ward 3	De Doorns East
Ward 5	Panorama
Ward 6	Hospital Heuwel Bergsig Fairy Glen Van Riebeeck Park Bloekombos Fairway Heights
Ward 7	Meiringspark Rouxpark Paglande Re-unie Park
Ward 11	Florian Park
Ward 13	Johnsons Park
Ward 15	Worcester West Langerug Somerset Park
Ward 20	Rawsonville

Table 147- Wards participating in separation at source



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### **b) Wheelie bin system within BVM.**

All residents and businesses within BVM are provided with either 240-liter or 770-liter wheelie bins. Only Touwsrivier was not issued with wheelie bins since the town still makes use of black refuse bags in the absence of a refuse compactor that is equipped with a bin lifter. The BVM is struggling with a high incidence of stolen wheelie bins being reported. With the development of the new waste management By-laws (2021), we hope to address the issue and reduce the number of stolen wheelie bins.

### **c) Public Awareness and Education**

We are in the process of acquiring a new Mascot for Solid Waste and establishing an Environmental Education Committee within the Department. This Committee will consist of the current Bin-Bin team who are employees of Solid Waste and will be responsible for the roll out of awareness campaigns throughout the Breede Valley in order to adequately educate the public regarding issues pertaining to recycling, illegal dumping and the like.

An innovative idea to curb illegal dumping at hotspots have been identified, whereby small succulent gardens are established at these hotspots. This was done with the help of EPWP's responsible for area cleaning appointed at the Department. This concept has proved to be successful at all hotspots where illegal dumping previously prevailed and the community takes ownership by offering their help in maintaining these gardens thus creating an environment they can be proud of. During the 2020-2021 financial year 160 EPWP participants were used in various initiatives of the Municipality to assist.



### **d) Worcester Landfill Site**

Since October 2015 waste disposed at the Worcester Landfill Site is diverted and not mixed. Garden waste gets disposed at a separate disposal area. Builder' rubble is used for covering material. There are presently no unlawful reclaiming practises taking place on the Worcester Landfill site.

The incidences of fires that raged at the landfill site previously, has been under control for the past year due to the fact that more stringent security measures have been put in place and that no unauthorised persons are allowed to enter the premises without a valid reason. These fires are believed to be deliberate arson fires, which are set with malicious intent. In February 2021 the Department of Environmental Affairs and Development Planning granted a height extension of 5 m to increase the maximum hight above ground level to 20 m. This will allow the Municipality to extend the life expectancy with another 10 to 15 years.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### Area Cleaning

A total of 186 EPWP's are employed by the department in order to curb illegal dumping in the areas and hotspots.

The EPWP's are divided into teams of 10 and 1 Supervisor and placed in areas for daily cleaning of their immediate area or as needed for ad hoc complaints. There are 10 skip monitors for illegal dumping at and around the skips in Roodewal, Avian Park, Riverview.

Worcester	
3 x Teams, 3 x Supervisors	Avian Park x 3
3 x Teams, 3 x Supervisors	Zwelethemba x 3
2 x Team, 2 x Supervisor	Riverview x 2
1 x Team, 1 x Supervisor	Roodewal
1 x Team, 1 x Supervisor	Hex Park / Johnsons Park
6 x Skip Monitors	Avian Park
6 x Skip Monitors	Roodewal
5 x Skip Monitors	Zwelethemba
<b>Total</b>	<b>127 Area Cleaning EPWP's</b>
Rawsonville	
5 x EPWP's	
De Doorns	
5 x EPWP's	
Touwsrivier	
10 x EPWP's	
<b>Total</b>	<b>20 Area Cleaning EPWP's</b>

Worcester Landfill site received an average of 27 908 tons of waste during the 2020/21 financial year.

### Vehicles / Equipment

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

The BVM has a total of 10 refuse compactors of which 1 has been written off due to old age and we are therefore left with 9 refuse compactors in total.

The Department still struggles with vehicle breakdowns as well as the lengthy time frames in which repairs are completed on the vehicles and this places huge pressure on the limited operational budget as we have to make use of

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

rental vehicles. Workers sometimes have to work more than the allowed 40 hours overtime per week when we experience break downs.

### Disposal of small quantities household hazardous waste

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

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

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

The key performance indicators for sanitation services are:

Ref	KPI Name	Unit of Measurement	Wards	2019/20		Overall Performance for 2020/21		
				Target	Actual	Target	Actual	R
TL32	Develop the 4th Generation Integrated Waste Management Plan, submit it to Council for approval by 31 May 2021, and subsequently include it as sector input in the 2021/22 IDP	Plan developed, submitted to Council for approval by 31 May 2021, and subsequently included as sector input in the 2021/22 IDP	All	1	0	1	1	G
TL13	Number of formal residential properties that are billed for refuse removal as at 30 June 2021	Number of residential properties that are billed for refuse removal residential tariffs using the erf as a property	All	18795	18823	18 900	19 178	G2

Table 148- Service delivery indicators: Waste management (Refuse collections, waste disposal, street cleaning and recycling)

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

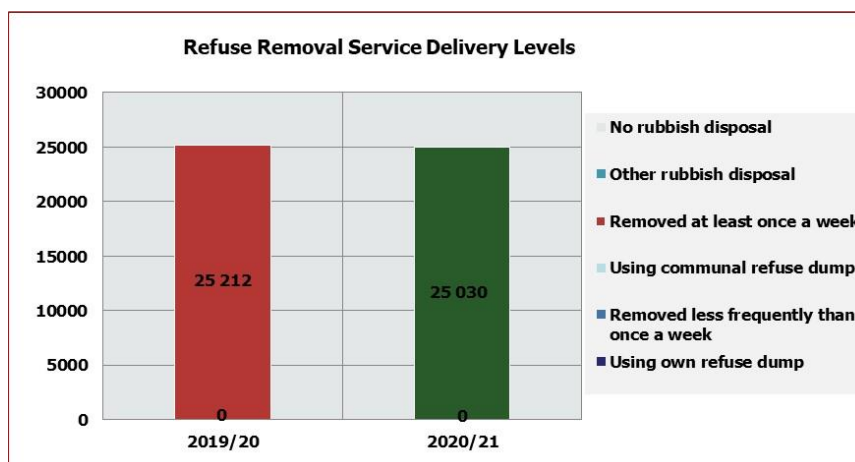
### 3.11.2 Refuse removal service delivery levels

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

Description	2019/20	2020/21
	Outcome	Actual
<b>Household</b>		
<i>Refuse removal: (Minimum level)</i>		
Removed at least once a week	25 212	25 030
<b>Minimum service level and above sub-total</b>	<b>25 212</b>	<b>25 030</b>
<b>Minimum service level and above percentage</b>	<b>0</b>	<b>0</b>
<i>Refuse removal: (Below minimum level)</i>		
Removed less frequently than once a week	0	0
Using communal refuse dump	0	0
Using own refuse dump	0	0
Other rubbish disposal	0	0
No rubbish disposal	0	0
<b>Below minimum service level sub-total</b>	<b>0</b>	<b>0</b>
<b>Below minimum service level percentage</b>	<b>0</b>	<b>0</b>
<b>Total number of households</b>	<b>25 212</b>	<b>25 030</b>
<i>*Total reflects the total number of households including households not separately billed</i>		

Table 149- Refuse removal service delivery levels

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



Graph 9: Refuse removal service delivery levels

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

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

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

Occupational Level	2019/20	2020/21			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	1	1	0	1	100.00
Senior Management	2	2	1	1	50.00
Middle Management and Professionals	1	1	1	0	0.00
Skilled Technical, Superintendents etc	4	4	4	0	0.00
Semi-skilled	25	25	21	6	24.00
Unskilled	73	73	65	10	13.70
<b>Total</b>	<b>110</b>	<b>110</b>	<b>92</b>	<b>18</b>	<b>16.36</b>

Table 150- Employees: Waste management (Refuse collections, waste disposal, street cleaning and recycling)

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

The table below indicates the amount that was actually spent on waste management (refuse collections, waste disposal, street cleaning and recycling) projects for the 2020/21 financial year:

Capital projects	2020/21				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value
(R)					
Worcester : Material Recovery Facility (MIG Counter funding)	0	123 577	123 576	1	123 576
Worc – Wheeliebins	0	251 740	229 355	22 385	229 355

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Capital projects	2020/21				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value
(R)					
Tipper landfill site (5 cum)	0	839 206	824 206	15 000	824 206
<b>Total all</b>	<b>0</b>	<b>1 214 523</b>	<b>1 177 137</b>	<b>37 386</b>	<b>1 177 137</b>
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table 151- Capital expenditure 2020/21: Waste management (Refuse collections, waste disposal, street cleaning and recycling)

### 3.12 HOUSING

BVM has a current housing backlog of 20 198 (20 005: 2019/20) households. The following housing demand list provides a further indication of the demand for housing in the municipal area:

BREDE VALLEY MUNICIPALITY AREA	June 2020		June 2021		
	Total Waiting	Percentage (%)	Total Waiting	Percentage (%)	Percentage Difference
Avian Park	2 049	10.2	2 049	10.1	-0.1
De Doorns	5 818	29.1	5 818	28.8	-0.3
Outside Municipal Area	62	0.3	62	0.3	0
Rawsonville	1 520	7.6	1 520	7.5	-0.1
Roodewal	1 118	5.6	1 118	5.5	-0.1
Touwsrivier	1 084	5.4	1 084	5.4	0
Worcester	4 734	23.7	4 927	24.4	0.7
Zwelethemba	3 620	18.1	3 620	17.9	-0.2
<b>TOTAL</b>	<b>20 005</b>	<b>100</b>	<b>20 198</b>	<b>100</b>	

Table 152- Housing demand list

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

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

<b>Worcester</b>	New Mandela	1 647
	Aspad	717
	Rolihlahla (Avian Park)	1 136
	Roodewal	171
	Worcester West	4
	Langerug	24
<b>De Doorns</b>	Stofland	2 590
	Hasie Square	87
	Mpumelelo	4
	Ebaleni	58
	GG Camp (Sandhills)	1 087
<b>Touwsrivier</b>	Zion Park	78
<b>Rawsonville</b>	Hammat Square/Spokiesdorp	268
	Geelkampie	98
<b>TOTAL</b>		<b>7 969</b>
<p><i>Due to Covid-19 a new survey could not be conducted in informal settlements and therefore the number of structures remains unchanged. A new survey is scheduled to start in September 2021.</i></p>		

Table 153- Informal settlement patterns in BVM

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

The municipal waiting list is linked to the provincial housing demand list. This has enabled the municipality to actively trace applicants registered at other municipalities. In addition, it has enabled the municipality to eliminate duplicate names from the system.

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

### 3.12.1 Service statistics: Housing

Performance on housing projects for the year were as follows:

Projects	Revised delivery targets 2020/21		Performance 2020/21	
	Sites	Units	Sites	Units
Worcester New Mandela Square	0	25	0	25
ISSP Zwelethemba North Rem Erf 1	Planning			

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Projects	Revised delivery targets 2020/21		Performance 2020/21	
	Sites	Units	Sites	Units
Worcester Transhex Phase 1 (2546 OF 3231) Services	754		754	
Worcester Transhex Phase 1 Tops (800)	0	350	0	350
<b>Total</b>	<b>754</b>	<b>375</b>	<b>754</b>	<b>375</b>

Table 154- Performance on projects: Housing

### 3.12.2 Service delivery indicators: Housing

The key performance indicators for housing are:

Ref	KPI Name	Unit of Measurement	Wards	2019/20		Overall Performance for 2020/21		
				Target	Actual	Target	Actual	R
TL29	Complete beneficiary allocation for the Transhex Human Settlement Project by 30 June 2021 (Beneficiary allocation linked to approved business plan - 800 units prioritised in 2020/21)	Number of units allocated	All	700	702	800	1 242	B
TL40	Complete serviced sites for the Transhex Human Settlements Project phase 1.3 by 30 June 2021	Number of serviced sites completed in phase 1.3 by 30 June 2021	All	413 (Phase 1.2)	527 (Phase 1.2)	662	662	G

Table 155- Service delivery indicators: Housing

### 3.12.3 Households with access to basic housing

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

Year end	Total households (including formal and informal settlements)	Households in formal settlements	Percentage of households in formal settlements
2019/20	56 943	48 974	86.0
2020/21	56 943	48 974	86.0



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Year end	Total households (including formal and informal settlements)	Households in formal settlements	Percentage of households in formal settlements
<i>Due to Covid-19 a new survey could not be conducted in informal settlements and therefore the number of structures remains unchanged. A new survey is scheduled to start in September 2021.</i>			

Table 156- Households with access to basic housing

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

Housing waiting list	Number of people on housing waiting list	% Housing waiting list increase/decrease
2019/20	<b>20 005</b>	(24.06)
2020/21	<b>20 198</b>	0.96

Table 157- Housing waiting list

The table above, depicts a marginal increase in the number of persons on the housing waiting list (increase of 193 persons from 2019/20 to 2020/21). The increase in 2020/21 is based on new applications, reactivated dormant applications, and updated applications.

### 3.12.4 Employees: Housing

The table below indicates the number of employees for housing:

Occupational Level	2019/20	2020/21			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
		Number			
Top Management	1	1	1	0	0.00
Senior Management	1	1	1	0	0.00
Middle Management and Professionals	1	1	0	1	100.00
Skilled Technical, Superintendents etc	4	4	3	1	25.00
Semi-skilled	11	11	10	1	9.09
Unskilled	0	0	0	0	0.00

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Occupational Level	2019/20	2020/21			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
<b>Total</b>	<b>17</b>	<b>17</b>	<b>15</b>	<b>2</b>	<b>11.76</b>

Table 158- Employees: Housing

### 3.13 FREE BASIC SERVICES AND INDIGENT SUPPORT

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

#### 3.13.1 Access to Free Basic Services

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

Free basic services to low income households									
Year	Number of households								
	Total	Households earning less than R4 500 per month							
		Free basic water		Free basic sanitation		Free basic electricity		Free basic refuse	
		Access	(%)	Access	(%)	Access	(%)	Access	(%)
2019/20	28 353	8 891	100	8 891	100	8 891	100	8 891	100
2020/21	30 616	9 556	100	9 556	100	9 556	100	9 556	100

Table 159- Access to free basic services

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

Electricity									
Financial year	Indigent households			Non-indigent households			Households in Eskom areas		
	No of HH	Unit per HH (kwh)	Value	No of HH	Unit per HH (kwh)	Value	No of HH	Unit per HH (kwh)	Value
			R'000			R'000			R'000
2019/20	7 537	50	5 672	22 562	0	0	1 354	50	947
2020/21	9 556	50	5 345	24 747	0	0	1 260	50	1 071

Please note that 5 869 is supplied by Eskom and 24 747 by BVM

Table 160- Free basic electricity services to indigent households

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Water						
Financial year	Indigent households			Non-indigent households		
	No of HH	Unit per HH (kl)	Value	No of HH	Unit per HH (kl)	Value
			R'000			R'000
2019/20	8 891	10	7 663	13 789	6	4 313
2020/21	9 556	10	1 046	11 739	6	4 039

Table 161- Free basic water services to indigent households

Sanitation						
Financial year	Indigent households			Non-indigent households		
	No of HH	R value per HH	Value	No of HH	Unit per HH per month	Value
			R'000			R'000
2019/20	8 891	278.26	17 628	20 514	0	0
2020/21	9 556	295.65	20 447	20 840	0	0

Table 162- Free basic sanitation services to indigent households

Refuse removal						
Financial year	Indigent households			Non-indigent households		
	No of HH	R value per HH	Value	No of HH	Unit per HH per month	Value
			R'000			R'000
2019/20	8 891	175.65	11 077	20 509	0	0
2020/21	9 556	186.23	12 830	20 878	0	0

Table 163- Free basic refuse removal services to indigent households per type of service

### COMPONENT B: ROAD TRANSPORT

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

#### 3.14 ROADS

The focal point of Brede Valley Municipality (BVM) is its major regional settlement of Worcester, followed by Rawsonville, De Doorns and Touwsrivier, which provides support to a series of rural towns and hamlets located across the municipal area and beyond.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

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The main road system in the BVM consists of the N1 linking Rawsonville, Worcester, De Doorns and Touwsrivier with each other. Provincial roads include the R60 between Worcester and Robertson, R43 between Worcester and Villiersdorp and R43 towards Ceres.

BVM is responsible for operation and maintenance of the road systems within the urban edge of Rawsonville, Worcester, De Doorns and Touwsrivier. Rural roads outside the urban edge, are the responsibility of the South African National Roads Agency Limited (SANRAL), the Western Cape Department of Transport and Public Works and the Cape Winelands District Municipality.

The Road Asset Management Plan (RAMP) for the BVM present a network level proposal for maintaining of the municipal roads system through an assessment of the network based on methodical visual rating of each road section.

The RAMP implemented, essentially serves as a network level tool. Visual assessment forms the basis of evaluating the condition of the road network, coupled with the subsequent identification of specific actions needed. The collected information is processed to provide the output for top management for strategic planning and budgeting purposes, as well as for maintenance, technical planning and execution purposes.

Different road sections require different types of maintenance varying from routine and normal to heavy rehabilitation. Possible project types range from routine maintenance (e.g. patching, blading, etc.), to normal maintenance (resurfacing) through to heavy rehabilitation (e.g. thick overlays and reconstruction or even upgrade). In the context of budgetary constraints, it is important that these funds be spent at the right place and time to ensure optimum utilisation and impact thereof. The use of the RAMP is generally regarded as an essential tool for determining the maintenance and upgrade needs/programmes for pavements in a network of roads.

These programmes provide a good assessment of the funds required to meet the maintenance needs of the network and, in most cases, the type of maintenance required. The needs of individual projects should, however, be verified by further investigation to allow for additional unrecorded factors.

The total length of the paved network within Breede Valley Municipal Area (BVM) is approximately 296.5 km (286.8 km bituminous, 9.2 km block paving and 0.5 km concrete pavements) with an estimated replacement value of R1 120 million. The surfacing condition of the bituminous network within BVM (68.10% thereof) can be classified as poor to very poor. Of the 68.10%, 50.32% can be classified as poor, whilst 17.78% can be classified as very poor.

The estimated funding backlog on the bituminous pavements at this stage is R77 million.

Project prioritisation has become critical in the process of optimally utilising scarce and limited funding resources. It is becoming increasingly important to determine which projects are the most feasible. All projects identified in the RAMP were prioritized together with the BVM representatives where each project was evaluated, scored and ranked. Projects were categorised based on project type and focus areas i.e. road infrastructure upgrade, road maintenance, planning and feasibility.

The availability of own funding for project implementation is limited. The need for rehabilitation and resealing of roads compete for funding with other essential services such as water, housing, sanitation, electricity and health services. In

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

identifying the funding for the prioritised projects over the next 5 years, funding sources include public contributions and donations, borrowing, internally generated funds, capital transfers recognised and direct or indirect national and provincial grants (transfers).

The lack of financial resources has hampered the provision and upgrade of infrastructure to cope with the current services backlog, increasing influx of people from other areas and the natural growth in population.

The MIG programme makes a valuable contribution to the funding of infrastructure for the poor communities of BVM, however, the quantum of funding provided is insufficient to address the current backlogs. Increasing the MIG allocations will allow the Municipality to address backlogs in a more economical and aggressive manner.

Projects are implemented by BVM, Directorate Engineering Services who is responsible for the design, tender documentation, supervision and management of the projects.

During the 2020/21 financial year approximately 90.30 km surfaced roads were resealed/rehabilitated. Departmental teams are used to attend to the general maintenance of the network such as pothole patching.

The table below gives a brief description of all the highlight for roads during the 2020/21 financial year:

Highlight	Description
Reseal of Roads	Roads were resealed in all the towns

Table 164- Roads highlight

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

Challenge	Corrective action
Shortage of funding for maintenance	Additional funding to be allocate to maintenance
Filling of vacancies	Urgent filling of vacancies

Table 165- Roads challenges

### 3.14.1 Tarred (Asphalted) roads

Financial year	Total km tarred roads	Km of new tar roads	Km existing tar roads re-tarred	Km tar roads maintained
2019/20	296.5	0	16.7	296.5
2020/21	296.5	0	90.30	296.5

Table 166- Tarred (Asphalted) roads

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.14.2 Gravelled roads

Financial year	Total km gravel roads	Km new gravel roads constructed	Km gravel roads upgraded to tar	Km gravel roads graded/maintained
2019/20	59	0	0	59
2020/21	59	0	0	59

Table 167- Gravelled roads

### 3.14.3 Service delivery indicators: Roads

The key performance indicator for roads is:

Ref	KPI Name	Unit of Measurement	Wards	2019/20		Overall Performance for 2020/21		
				Target	Actual	Target	Actual	R
TL37	Achieve 90% of capital budget spent on the resurfacing of roads by 30 June 2021	% of capital budget spent	All	90%	79.97%	90.00%	99.37%	G2
TL41	Spend 90% of capital budget allocated towards the construction speedhumps throughout the municipal area by 30 June 2021	% of capital budget spent	All	New performance indicator for 2020/21. No comparatives available	New performance indicator for 2020/21. No comparatives available	90.00%	100.00%	G2

Table 168- Service delivery indicators: Roads

### 3.14.4 Capital expenditure: Roads

The table below indicates the amount that was actually spent on roads projects for the 2020/21 financial year:

Capital projects	2020/21				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value
(R)					
Transhex: New Bus Route (Local Distributor Class 4) Transhex	11 646 365	0	0	0	0
Resealing of Municipal Roads - Rawsonville	0	1 485 000	1 483 308	1 692	1 483 308
Resealing of Municipal Roads - Rawsonville	0	724 297	724 297	0	724 297
Resealing of Municipal Roads - Worcester	0	32 942 859	32 926 638	16 221	32 926 638
Resealing of Municipal Roads - Avian Park	0	2 142 883	2 142 882	1	2 142 882

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Capital projects	2020/21				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value
(R)					
Resealing of Municipal Roads - Riverview	0	886 325	886 325	0	886 325
Resealing of Municipal Roads - Roodewal	0	4 797 362	4 797 362	0	4 797 362
Resealing of Municipal Roads - Zweletemba	0	5 670 775	5 670 775	0	5 670 775
Resealing of Municipal Roads - De Doorns	0	3 314 510	2 880 745	433 765	2 880 745
Resealing of Municipal Roads - De Doorns	0	1 614 039	1 614 038	1	1 614 038
Resealing of Municipal Roads - Touwsrivier	0	2 734 559	2 734 559	0	2 734 559
Resealing of Municipal Roads - Touwsrivier	0	14 845 502	14 845 502	0	14 845 502
Ward6 - Speed humps	0	40 000	40 000	0	40 000
High to Protea Street slip lane	0	640 000	0	640 000	0
Ward12 - Upgrading of gravel roads	0	227 233	104 000	123 233	104 000
Speed humps - Goedeman Street	0	30 000	30 000	0	30 000
Bus Stop - Rawsonville Primary School	0	30 000	0	30 000	0
Site D - Avian Park (25 Erven) Roads	0	257 109	0	257 109	0
<b>Total all</b>	<b>11 646 365</b>	<b>72 382 453</b>	<b>70 880 431</b>	<b>1 502 022</b>	<b>70 880 431</b>
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table 169- Capital expenditure 2020/21: Road

### 3.15 STORMWATER DRAINAGE

The stormwater drainage system forms an integral part of the municipal road network. The system consists of facilities for the collection, conveyance, storage and treatment of stormwater run-off from areas upstream of and from within the township and discharge to the natural water course(s).

The Breede Valley Municipality (BVM) is responsible for the operation and maintenance of the stormwater system.

The table below give a brief description of the highlight for stormwater during the 2020/21 financial year:

Highlight	Description
Cleaning and repairing of stormwater systems	Cleaned 300mm – 600mm diameter pipes and open channels

Table 170- Stormwater highlights

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

The table below give a brief description of the stormwater challenge during the 2020/21 financial year:

Challenge	Corrective action
Shortage of funding for the maintenance	Allocation of more funds towards maintenance

Table 171- Stormwater challenges

### 3.15.1 Stormwater infrastructure

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

Financial year	Total km stormwater measures	Km new stormwater measures	Km stormwater measures upgraded	Km stormwater measures maintained
2019/20	99.304	0	0	99.304
2020/21	120	0	0	120

Table 172- Stormwater infrastructure

### 3.15.2 Capital expenditure: Stormwater

The table below indicates the amount that was actually spent on stormwater projects for the 2020/21 financial year:

Capital projects	2020/21				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value
(R)					
New Retention Ponds - De Doorns: South of N1	372 512	0	0	0	0
Erosion Protection of Hex River: Phase 2	1 500 000	1 432 718	754 636	678 082	754 636
Site A - Meirings Park (Erven 1, 6920, 6921) Stormwater	0	49 856	43 353	6 503	43 353
Site D - Avian Park (25 Erven) Stormwater	0	275 000	0	275 000	0
<b>Total all</b>	<b>1 872 512</b>	<b>1 757 574</b>	<b>797 989</b>	<b>959 585</b>	<b>797 989</b>
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table 173- Capital expenditure 2020/21: Stormwater



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.15.3 Employees: Roads and stormwater

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

Occupational Level	2019/20	2020/21			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	1	1	0	1	100.00
Senior Management	1	1	0	1	100.00
Middle Management and Professionals	1	1	0	1	100.00
Skilled Technical, Superintendents etc	1	1	1	0	0.00
Semi-skilled	6	6	3	3	50.00
Unskilled	24	24	16	8	33.33
<b>Total</b>	<b>34</b>	<b>34</b>	<b>20</b>	<b>14</b>	<b>41.18</b>

Table 174- Employees: Roads and stormwater

## COMPONENT C: PLANNING AND DEVELOPMENT

### 3.16 PLANNING

#### 3.16.1 Planning strategies

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

Strategy	Description
Spatial in-filling	The BVM: SDF identifies key vacant land for in-fill and housing development and we are continuing with this strategy of spatial in-filling and densification. The approved Transhex urban development is based on the superblock-integrated concept. Council also identified land for middle income housing which it intends to develop internally
Historical core preservation	Historical cores of urban centres must be clearly demarcated. Priority should be given to the conservation of heritage buildings and precincts in redevelopment

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Strategy	Description
	projects. Any proposals for the re-development of existing buildings should consider their heritage value, elements of the vernacular architecture and, where possible, retain these important elements. Similarly, the historical characteristics of existing buildings should be considered to draw from their elements that could be integrated into the design and construction of new buildings. Advertisement signage in these cores must be regulated through bylaws, with input from the said heritage bodies
CBD revival/Urban renewal	Special focus must be placed on CBD revival. This will require increasing the attractiveness of the area to tourist traffic and providing sufficient and attractive signage, landscaping, urban design/building management, security, etc. This initiative must be closely aligned with the strategies of the LED section as CBD revival was identified as a key catalyst in the latest LED Strategy
Land use integration and interfaces/Spatial integration	Spatial integration should be the main underlying foundation for all spatial decision making and should be facilitated in the encouragement of the development of strategic mixed-use nodes, intensification corridors and spatial in-filling with gap housing developments. The intensification areas/corridors are the prime instruments for promoting integration between different areas and is intended to promote a mutually supportive increase in residential (mixed income) and economic (mixed use) activity straddling the major routes of a settlement

Table 175- Planning strategies

### 3.16.2 Achievements of the Planning Department for 2020/21

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

#### a) Town planning

Achievement/Highlight	Description
Breede Valley Integrated Zoning Scheme	The Integrated Zoning Scheme was approved by Council in May 2021 and still needs to be promulgated in the Provincial Gazette. The IZS will come into operation on the date of promulgation in the provincial gazette

Table 176- Planning highlights

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### b) Building control

Achievement/Highlight	Description
Approved new building work > R15m	Sameul Walters Street Offices & Nursery - R17 500 000
	Barlikna Medical Centre - R22 000 000
Approved additions > R15m	Slanghoek Cellar Packhouse - R17 000 000
	GRW Factory - R15 000 000

Table 177- Building control highlights

### c) GIS

Achievement/Highlight	Description
The GIS System Administrator received an RPL (Remote Pilots Licence)	The remote pilots licence will allow the GIS System Administrator to pilot a drone for the Municipality once the Municipality has obtained an ROC (Remote Operator Certificate). The drone can be used for various tasks such as flying aerial photography
New aerial photography	A new set of aerial photography was obtained by the external valuer. This photography is high resolution. There are currently issues with regards to the alignment of the photography and the cadastral data however a solution is being worked on
Mapping of all businesses in the Breede Valley.	A spatial dataset of all businesses was created. This is an ongoing project that will be constantly updated and maintained
Streets database was expanded to include suffixes	The street shape file was expanded to include a suffix describing the street. The street can now be identified as a street, avenue, lane etc
The standard locality plan was upgraded to include points of interest	The standard locality plan was upgraded to include points of interest. These points of interest include such things as schools and churches
Spatial analysis of sewer blockages	A spatial analysis was done on sewer blockages to try and determine hot spots and how it differs from month to month

Table 178- GIS highlights

### 3.16.3 Challenges of the Planning Department for the 2020/21 financial year

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

#### a) Town planning

Challenge	Corrective action
Limited resources (aging computers/no laptops) available for staff to work from home during National Covid-19 lockdown	Provide staff with the equipment to work from home if necessary

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Challenge	Corrective action
Lack of capacity (in other departments). The finalisation of land use applications is dependent on the input/comments from the different municipal departments especially the department responsible for municipal services/infrastructure	Vacancies must be filled

Table 179- Town planning challenges

### b) Building control

Challenge	Corrective action
Communication with internal departments	Better collaboration

Table 180- Building control challenges

### 3.16.4 Service delivery statistics for building control land use development

#### a) Building control

The table below depicts the application status of building plans:

Detail	Financial Year
	2020/21
Building plan applications received	631
Applications in circulation	10
Applications pending	50
Applications approved at year end	574

Table 181- Application status of building plans

#### b) Land use planning

The table below displays the applications for land use development:

Detail	Formalisation of townships		Rezoning	
	2019/20	2020/21	2019/20	2020/21
Planning application received	14	14	64	73
Determination made in year of receipt	0	3	11	9
Determination made in following year	14	11	53	64
Applications withdrawn	0	0	0	0
Applications outstanding at year end	14	11	53	64

Table 182- Applications for land use development

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

The total number of applications received (i.e. formalisation of townships & rezoning) increased with approximately 11%. The increase is primarily due to a significant increase in the number of land use change (rezonings, consent uses and departure) applications from 64 (2019/20) to 73 (2020/21). There has been a significant increase in the number of land use departures (house shops) and consent uses for occupational use/professional use from single residential dwellings. This can be attributed to job losses and different working arrangements due to the National Covid-19 Lockdown as more people are required to find other means to generate an income. The increase in the number of additional dwelling unit applications can be attributed to the fact that parents are making provision for their children to live with them or vice versa.

The date of determination of applications is slightly misleading as a lot of the applications were received in the last four months of the financial year. A total of 54 applications were approved in this financial year and include applications which could not be finalised in the previous financial year. There are approximately 75 applications in process that cannot be finalised due to outstanding information and comments from external departments that are still required.

The Breede Valley Municipal Land Use Planning By-Law came into effect on the 1st of December 2015. The Municipality is thus the decision-making authority and is investigating certain changes in the current By-Law to reduce red tape and to comply with changing trends and planning legislation. All land use applications are processed in terms of the said By-Law and must adhere to strict time frames as prescribed. The Municipal Planning Tribunal is fully operational, and Council approved the extension of the Municipal Planning Tribunal's term for a period of three (3) years.

The Integrated Zoning Scheme was approved by Council in May 2021 and will come into operation on the date of promulgation in the provincial gazette.

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

### 3.16.5 Employees: Town Planning, building control and GIS

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

Occupational Level	2019/20	2020/21			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
		Number			
Top Management	1	1	0	1	100.00
Senior Management	3	3	3	0	0.00
Middle Management	2	2	2	0	0.00

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Occupational Level	2019/20	2020/21			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
Number					
and Professionals					
Skilled Technical, Superintendents etc	7	7	7	0	0.00
Semi-skilled	3	3	3	0	0.00
Unskilled	0	0	0	0	0.00
<b>Total</b>	<b>16</b>	<b>16</b>	<b>15</b>	<b>1</b>	<b>6.25</b>

Table 183- Employees: Town planning, building control and GIS

### 3.17 LOCAL ECONOMIC DEVELOPMENT (LED)

Local Economic Development, from a municipal perspective, entails the facilitation of complimentary activities in support of local businesses that ultimately drives job creation and stimulates a thriving economic development ecosystem. This ecosystem comprises of primary producers (production oriented companies), secondary activities like transport and logistic activities, and thirdly tertiary activities such as commercial business(es) that sell goods and services to consumers. During the 2020-21 financial year, the Local Economic Development Department primarily managed existing activities and facilitated relieve initiatives earmarked for companies that have been severely impacted by the Covid-19 pandemic. In addition, collaborative business support interventions (in partnership with WESGRO) were provided to support two local companies that were desperate for assistance, we also used virtual and online methods to provide information about various kinds of business support that is offered by the Government. Hence, local economic maturity will be enhanced by forming and fostering partnerships with the private sector and various community organisations in the pursuit of realising economic development outcomes. These activities were severely compromised during the pandemic as the balance sheet of companies was severely compromised and they had a more inward focus to survive rather than focusing on industry specific or location specific issues. The Municipality is increasing its spending on municipal infrastructure and service delivery backlogs, as investment from the private sector mostly occur in municipal spaces where municipal infrastructure is maintained and created. As available funding (across all governmental spheres) decrease, the need to identify and develop innovate economic development initiatives that will aid in the pursuit of the broader LED objectives and investment attraction, remains critical.

The 2017-2022 LED strategy continues to serve as a road map informing planned interventions earmarked for implementation by the department, although in some cases, it may require the synergy of national and provincial government. The scale of reaching our target were severely affected as development funds from the Provincial and

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

National Government were repurposed to develop a response against the Covid pandemic and to provide vaccines to the South African population. The LED department serves on the CWDM Business and Economy Cluster, responsible for coordinating some response of the National and the Provincial Governments.

During the LED strategy formulation process, a range of stakeholders were invited to participate in the identification and setting of the strategic path for the department. The table below depicts the key strategic areas identified during the deliberations (in no particular order):

Reference	Strategic objectives	Description
1	Supporting SMME's & the informal sector	SMME's and the informal sector occupies an important role within the local economic ecosystem. On this premise, the provision of general business support and guidance, insight on access to markets and funding, training, and mentorship (amongst others) is imperative to enhance the growth potential within these sectors
2	Unlocking the green economy	Economic activity that underpins sustainable development has become a prominent topic in recent times, particularly on the backdrop of continuous environmental degradation and resource eradication by industry. A strive towards a more active "greener" economy that underpins a healthy balance between economic activity and environmental sensitivity and sustainability, is imperative
3	Promoting innovative tourism programmes	The tourism sector remains a prominent driver of economic growth and employment within the BVM. In addition to the existing tourism offering, the locational advantage of the municipal area coupled with a unique facility offering provides untapped tourism potential. In addition, the municipal area presents a rich history and heritage that could present significant opportunity towards cultural heritage tourism
4	Investing in infrastructure to unlock economic development	The development of new infrastructure coupled with the maintenance of existing infrastructure is imperative towards unlocking economic opportunity and attracting new businesses to the area. Businesses tend to gravitate towards localities that are well serviced in terms of infrastructure, as this significantly contributes towards continuity in business operations and productivity
5	Contribute towards poverty & inequality eradication efforts	The impact of poverty and inequality on all facets of society are well known. Poverty and inequality deny societies the opportunity to (amongst others) actively participate in economic activity and, as a result, restricts quality of life and social well-being
6	Branding BVM as the care capital	Breede Valley (particularly Worcester) is home to a large contingent of disabled citizens and institutions that directly serve these citizens. As a result, the Municipality envisions to position itself as a care capital to ensure that the disabled & vulnerable citizens are adequately integrated in society with equal access to opportunities
7	Prioritise investment promotion, attraction, and retention	Investment promotion, attraction and retention initiatives are imperative to maintain a well-functioning and growing economic ecosystem. A higher extent of investment attraction and retention

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Reference	Strategic objectives	Description
		also contribute to the eradication of socio-economic ills as more citizens are employed and actively participating in economic activity
8	Continuous prioritisation of the disposal of Uitvlugt vacant land	The disposal of the Uitvlugt land, earmarked for the development of an Industrial Park, remains a key strategic objective of the department. It was identified as a catalytic project in the previous LED Strategy and holds significant potential to unlock economic opportunity, development, and growth within the locality
9	Continually pursuing and implementing red tape reduction initiatives	Red tape adversely influences the ease of doing business and subsequently results in a loss of business confidence. Proactive identification of red tape coupled with adequate response measures, will instil business confidence, and ignite a sense of economic unity
10	Using smart procurement as a catalyst to effect LED	Municipal procurement presents unique opportunities for local economic growth and development. Equipping businesses (particularly local SMME's) to adequately identify, respond to, and participate in municipal procurement opportunities is critical towards creating a well-functioning local economy
11	Improving business zones	Identification of new- and enhancing existing business zones is imperative as it not only underpins economic growth, but also places communities (particularly those previously disadvantaged) closer to business and/or economic opportunities. In addition, the enhancement of safety and security within business zones, coupled with the improvement of the landscape of the surrounding areas (e.g., by planting extra trees and engaging in smaller rehabilitation projects) will attract new businesses and clients to a particular business zone

Table 184- LED strategic objectives

It is imperative to note that these strategic objectives are predominantly interrelated and interdependent as success in one, can positively influence others. In addition, these objectives represent a fair deal of complexity and will therefore require persistent and methodical planning and implementation of activities that underpin these objectives. The effectiveness of activities heavily relies on the ability to collaborate with various sectoral, governmental, and departmental role players and stakeholders (i.e., municipal, governmental, public & private). The subsequent sections will provide insight on the activities implemented in pursuit of the overarching objectives.



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.17.1 Service delivery indicators: LED

The key performance indicator for LED is:

Ref	KPI Name	Unit of Measurement	Wards	2019/20		Overall Performance for 2020/21		
				Target	Actual	Target	Actual	R
TL9	Sign service level agreements (SLA's) with 4 Local Tourism Associations (LTA's) for their annual tourism operational expenditure by 30 September 2020	Number of SLA's signed by 30 September 2020	All	3	3	4	4	G
TL5	The number of FTE's created through the EPWP programme by 30 June 2021	Number of FTE's created through the EPWP programme by 30 June 2021	All	312	259.93	154.96	310.11	B

Table 185- Service delivery indicators: LED

### 3.17.2 Activities/highlights: LED

In accordance with the strategic areas identified, the following activities were implemented during the year under review. Resource constraints coupled with the Covid-19 pandemic has posed significant challenges relating to the implementation of activities that commensurate with the strategic objectives. However, the department remained committed to enhance the local economic narrative, and in this context, regards these as highlights achieved within the year under review.

Activities/Highlights	Strategic Objective Linkage
<ul style="list-style-type: none"> <li>Formulated &amp; published online surveys via the "Survey Monkey" application to ascertain the degree of economic decline during the hard lockdown</li> <li>Arranged online support sessions with companies in partnership with the Provincial Department of Economic Development</li> <li>Distributed various support schemes directly to different categories of firms on a myriad of financial and technical support available to overcome the severe effects that the Covid-19 virus has on the feasibility of firms</li> </ul>	1
<ul style="list-style-type: none"> <li>Council approved a capital budget over the years that finance the design and construction of engineering infrastructure to support industrial property development</li> </ul>	4; 7; 8; 11
<ul style="list-style-type: none"> <li>Enter into a service level agreement to finance and support a CCTV camera project and a security response to combat drug related crime and to reduce crime in the Central Business District</li> </ul>	1; 6; 7; 11
<ul style="list-style-type: none"> <li>Create 638 work opportunities as part of our EPWP programme by absorbing the unemployed in public employment programmes to earn work experience</li> </ul>	5; 6

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Activities/Highlights	Strategic Objective Linkage
<ul style="list-style-type: none"> <li>Organise a Covid compliant SMMEs workshop for training on SANRAL tender procedures. Three workshops have been organised for SMMEs development, training schedules to improve the sustainability of the businesses and improve their marketing skills</li> </ul>	1
<ul style="list-style-type: none"> <li>Distribute over 400 safety kits (sanitisers, mask and Covid protocols) to the informal traders and SMME's across the BVM to suppress the Covid-19 spread in the business zones of the BVM</li> </ul>	1; 6
<ul style="list-style-type: none"> <li>Draft the informal trading bylaw and present it first two Mayco and thereafter to Council. We also had a series of workshop with role players and Councillors to facilitate input into the Bylaw</li> </ul>	1; 5
<ul style="list-style-type: none"> <li>To assess seed funding opportunities and provide the recommendations for entrepreneurs that ensure growth and employment opportunities within the BVM. In collaboration with the CWDM, entrepreneurs that met criteria of the seed funding program have been awarded the funding, with the recommendations provided by the BVM</li> </ul>	1; 5; 6
<ul style="list-style-type: none"> <li>To coordinate the SMMEs health and safety kits distribution. Due to the Covid-19, businesses that were affected by the lockdown regulations to operate with protective clothing as the regulations has stipulated, provision of safety kits has assisted the informal traders to continue to trade as they were compliant with the regulations</li> </ul>	1; 3; 5
<ul style="list-style-type: none"> <li>Made a presentation to Council and Expo on economic recovery and propose that they fund infrastructure that can unlock industrial properties and motivate for more infrastructure funding in support of Township economies</li> </ul>	1; 2; 3; 4; 5; 7; 8; 11
<ul style="list-style-type: none"> <li>Organise a Covid compliant workshop with the line management of Engineering and Public Works department to increase our job creation in infrastructure related projects, as we had an under performance in reporting on infrastructure components</li> </ul>	5
<ul style="list-style-type: none"> <li>Refurbish our new office to accommodate all the function of LED, EPWP and tourism</li> </ul>	-
<ul style="list-style-type: none"> <li>Host a webinar on support to local company with PUM a (Netherland based firm) who want to offer mentorship to companies during Covid. Companies were guided in how to apply</li> </ul>	1; 5; 7

Table 186- LED activities & highlights

### 3.17.3 Challenges: LED

The table below gives a brief description of all the challenges for LED during the 2020/21 financial year:

Challenge	Corrective action
Funding to implement projects to provide infrastructure for informal traders	Drafting funding proposals and made submission to senior management to grant counter funding. Municipalities should argue for a dedicated funding mechanism to pay for economic development infrastructure
Tourism is severely impacted due to the disaster regulation	Made submission in support the District Business and Economy Cluster to open accommodation facilities and the wine industry to support economic recovery
Crime in our CBD	CCTV camera partnership with city improvement company to reduce crime

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Challenge	Corrective action
Funding constraint to support the township economies	Ongoing lobby and draft of funding proposal and forming partnership to position us to achieve this goal

Table 187- LED challenges

### 3.17.4 Economic activity

The table below illustrate the size of economic contributions as well as the value of its contribution in rand value. The diagram which follows depicts the economic sectoral contribution as a percentage.



### 3.17.5 EPWP job creation

The Expanded Public Works Programme is one of government's key programmes aimed at providing poverty and income relief through temporary work for the unemployed. The programme provides an important avenue for labour absorption and income transfers to poor households, in the short to medium-term.

Covid-19 and the associated socio-economic impact reiterated the importance of the EPWP programme, as an unemployment safety net. On this premise, the National Department of Public Works embraced the concept of mainstreaming the EPWP programme to address the skills gaps within municipalities that (amongst others) is required to deliver quality municipal services.

In BVM, the demand for temporary EPWP employment opportunities continue to rise, particularly as the local economy continues to shed jobs. The BVM therefore acknowledges the programme as a critical tool to provide a temporary employment safety net, hence, often registers various EPWP projects throughout a particular financial year. However, the municipality was obliged to adjust its 20/21 anticipated EPWP co-funding contribution due to economic and fiscal uncertainties emanating from the Covid-19 pandemic. As a result, the department could not honour the FTE target (319) set in terms of the protocol agreement, and subsequently set an internal FTE target of 154.96 (based on the available funding and preliminary project proposals received during the EPWP planning phase). At the time, this was deemed to be a reasonable and realistic approach.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

However, as the infection levels in the pandemic declined, and lockdown levels eased, the municipality noted a reasonable stabilisation in payment rates. In addition, different levels of lockdown exacerbated service delivery backlogs in certain departments. These circumstances (amongst others) served as primary point of departure to allocate additional funds to implement more EPWP projects and/or increase the number of beneficiaries in existing EPWP projects. This decision has subsequently resulted in better performance against the internal target of 154.96. The nuances and performance emanating in the current year under review, enabled the department to revisit the target for 2021/22. To this effect, a target of 325 FTE's has been set in the 2021/22 financial period.

The table below, depicts the different EPWP projects, as well the full-time work equivalents achieved during the year under review.

Jobs created through EPWP projects		
Project details	Number of EPWP appointments	
Projects included the following: <ul style="list-style-type: none"> <li>• Solid Waste Worcester</li> <li>• Roads &amp; Stormwater</li> <li>• Access Controllers</li> <li>• Solid Waste Rawsonville</li> <li>• Roads &amp; Stormwater Rawsonville</li> <li>• Solid Waste Touwsriver</li> <li>• Roads &amp; Stormwater Touwsriver</li> <li>• Parks &amp; Cemeteries Touwsriver</li> <li>• Solid Waste De Doorns</li> <li>• Roads De Doorns</li> <li>• Nekkies</li> <li>• Electricity</li> <li>• Parks &amp; Cemeteries</li> <li>• Ward Administrators &amp; Caretakers</li> <li>• Finance Clerks</li> <li>• Housing</li> <li>• EPWP Data Capturers</li> <li>• ECO's</li> <li>• Wastewater Treatment</li> <li>• Main Building Cleaner</li> <li>• Buildings</li> <li>• De Doorns Project</li> <li>• Mechanical Workshop Cleaner</li> </ul>	Work opportunities	
	<b>Target: 909</b>	<b>Performance: 638</b>
	FTEs generated	
	<b>Target: 319</b> (Protocol Agreement) 154.96 (SDBIP)	<b>Performance: 310.11</b>

Table 188- Job creation through EPWP projects

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.17.6 Employees: LED, tourism and marketing

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

Occupational Level	2019/20	2020/21			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	1	1	1	0	0.00
Senior Management	1	1	1	0	0.00
Middle Management and Professionals	0	0	0	0	0.00
Skilled Technical, Superintendents etc	3	3	2	1	33.33
Semi-skilled	1	1	1	0	0.00
Unskilled	0	0	0	0	0.00
<b>Total</b>	<b>6</b>	<b>6</b>	<b>5</b>	<b>1</b>	<b>16.67</b>

Table 189- Employees: LED, tourism and marketing

### 3.18 TOURISM

#### 3.18.1 Aim and function of tourism section

The entire tourism value chain (i.e. tour operators, booking agents, transport companies, accommodations establishments and destinations, etc.) was severely impacted by the Covid-19 pandemic, specifically due to the restrictions placed on domestic and international travel as well as gatherings. This has been exacerbated by growing levels of fear, amongst tourists and travellers, of contracting the virus, which subsequently influenced how travellers planned their trip itineraries. These uncertainties, periodic increases in infections at certain intervals and associated risks have resulted in the postponement of many planned events and gatherings. The events calendar of the Breede Valley has not been spared, as many events had to be cancelled/postponed until a time when it becomes safer and financially feasible to be reintroduced.

Notwithstanding the global health situation, the aim of the BVM tourism is to facilitate the below mentioned activities

- Increase the visitor arrivals by implementing our annual operational plan in support of our 5-year strategy for tourism.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

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

The BVM Tourism is a structure that function directly under the leadership of the Portfolio Councillor for LED and Tourism, as well as the Manager: LED and Tourism in the BVM. Although the Municipality is legally entrusted with the tourism function, it is implemented in partnership with private sector (which organise themselves into Local Tourism Associations (LTA's)). LTA's primarily generate funds by means of the internal membership fees levied on businesses/organisations affiliated to each LTA (where applicable). However, these fees are not always cost reflective of the operational requirements and capacity requirements linked to hosting key tourism events. On this premise, the Municipality provides annual financial support, which is governed and transferred in terms of a service level agreement entered into with each LTA in terms of Section 67 of the MFMA. The department further conducts marketing and promotion campaigns at most of the big tourism trade shows, which seeks to market and sell the Breede Valley as a favourable destination to various tour operators that facilitate the travel arrangements of various tourist to pre-packaged tourism destinations.

Furthermore, the department provides leadership and support to the four LTA's called: Breedekloof, Worcester, Hex River and Touwsrivier. The department's role is predominantly complimentary as it provides support and guidance to the local tourism industry which ultimately benefit from- and are dependent on commercial activities that supply them with much needed cashflows to sustain their businesses in tourism. Monthly engagements are scheduled with LTA's to discuss matters of mutual importance, and LTA's are, in terms of the signed SLA, obliged to report monthly and quarterly on their operations. This consultative arrangement is very productive for the coordination and promotion of tourism in the BVMs tourism destination.

The long-term support provided by the Municipality serves as direct enabler for LTA's to function at above average levels. In addition, the support strengthens their capacity to host various tourism events that contribute towards the enhancement of the local tourism brand – a brand synonymous with a vibrant tourism sector that remain responsive to the needs of visitors and locals alike. LTA's are also included in planning engagements linked to annual publicity and marketing events which, amongst others, instils a sense of belonging and pride in its contribution towards building the BVM tourism brand.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

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### **The following activities have been implemented during 2020/21 financial year:**

- Hosted 3 educational field trips for media tour groups in the Breede Valley (March in Hex Valley, May in Worcester and Breedekloof) to present the destination and its offerings to various journalist that work for tourism related media companies
- Facilitated and updated the BVM Tourism & Events Social Media (Facebook) and tracked followers to LTA's social media
- Arranged the upgrade and continuous maintenance work at the Jean Welz Gallery and internal repairs to the building
- Captured and interpreted visitor statistics for Jean Welz Gallery
- Use the space in the Mountain Mill Mall for visitor information activities for the benefit of the Worcester Tourism Association
- Made representations on behalf of BVM at the Cape Winelands/Overberg bi-monthly RTLC meetings
- Represented the BVM at the Cape Winelands LTA meetings (bi-monthly)
- Represented the BVM at the WesGro RTO Forums (quarterly)
- Hosted BVM LTO meetings (quarterly)
- Represented the BVM at CWDM, WesGro and National Department of Tourism workshops
- Distributed Covid-19 related tourism information to LTA's
- Distributed communication information through e-mails, websites, and social media platforms regarding the different support schemes available to the industry that were closed in accordance with Covid-19 regulations
- Ongoing administrative duties such as the Breede Valley Tourism Covid-19 Recovery Plan, bi-annual reports, quarterly reports and monthly reports, revised internal budget, virements
- Compiled a funding application for the Zwelethemba Township Tourism Corridor – funding received from CWDM
- Compile endorsement letters towards event funding from WesGro to LTA's
- Represented the BVM as a panel member for the CWDM Business, Retention and Expansion Programme
- Updated and distributed the Breede Valley events calendar
- Compiled and entered into service level agreements with LTA's in terms of Section 67 of the MFMA which include Worcester Tourism Association, Breedekloof Wine & Tourism, Hex Valley Tourism Association and Touwsrivier Tourism Association
- Compiled and entered into service level agreements in terms of Section 67 of the MFMA for:
  - a) Worcester Tourism Association – Student for the Kiosk
  - b) Jean Welz Art Gallery – Curator Salary
  - c) Organize the December Welcoming Campaign
  - d) Represent the Breede Valley at 2 Trade Shows (World Travel Market & Africa Tourism Indaba)
  - e) Establish Zwelethemba Township Tourism Corridor – funding received from CWDM – to be resumed in 2021/22





## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.18.2 Overview of the Breede Valley tourism product portfolio

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

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

Table 190- Breede Valley tourism product portfolio

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



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.18.3 Training/Development

#### Tourism Road Signage Training

- Tourism Road Signage Training was hosted by the Department of Economic Development and Tourism and represented by the Tourism Officer
- Central Supplier Database Training hosted by the Western Cape Government's Procurement Analyst: PT-LGSCM, by means of a presentation and live demonstration
- BVM Mobile App Training
- General training on how to use the new BVM application
- SAGE/HR Payroll Training

### 3.18.4 Tourism awareness/events

Annual events in the Breede Valley region included the following:

Annual event	Date
Breede Valley Park Run	Ongoing every Saturday – <b>Suspended due to Covid-19</b>
Pure Boland Market – Groen Stoor	Ongoing every 1 <sup>st</sup> Saturday of each month
Hex Valley Night Challenge	<b>Cancelled due to Covid-19</b>
NID Dusk till Dawn Trail Run	Cancelled
Overhex Picnic & Live Show	<b>Cancelled due to Covid-19</b>
Hanepoot Festival & Market	<b>Cancelled due to Covid-19 (March 2022)</b>
Gravel & Grape MTB Event	<b>Cancelled due to Covid-19 (May 2022)</b>
Nuy Valley Festival	Was hosted but in a smaller format
Pioneer School Heaven & Hills MTB	<b>Suspended due to Covid-19</b>
Breedekloof Soetes & Soup Festival	<b>Cancelled due to Covid-19</b>

Table 191- Tourism awareness/events

In accordance with the Covid-19 regulations, most standing events have been postponed until it is safer to host these events (regulations permitting).

### 3.18.5 Expo's

The tourism industry has been severely impacted by the Covid-19 pandemic. Most travel and tourism related activities were prohibited, postponed and/or cancelled as from February 2020 in order to mitigate severe spikes in infection rates.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

---

However, the department, in collaboration with DEDAT and other key stakeholders, are in regular engagement to provide the support to- and underpin the recovery of the tourism sector post Covid-19.

No expo's/shows could be attended due to the National Covid-19 lockdown:

- World Travel Market – April 2021 (cancelled due to disaster regulations)
- Africa Tourism Indaba – May 2021 (cancelled due to Covid 19 disaster regulations)

Organisers have replaced these events with daily webinars on relevant tourism topics. The Tourism Officer represented the organisation during these engagements/sessions.

### 3.19 INTEGRATED DEVELOPMENT PLAN (IDP)

The IDP section focused on the following functions:

- **Community participation:**

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

A schedule of community participation engagements was approved by Council, based on the municipal IDP/budget time schedule and/or process plan. These engagements were published in the local press for community inputs and information. BVM engagements take place in accordance with the approved Public Participation Policy to promote and stimulate participatory democracy.

#### 2020/21 IDP and Budget

Two community participation engagements (i.e. October/November 2019 and March/April 2020) were scheduled in preparation for the 2020/21 IDP and budget cycle. During the first round of engagements, the Municipality provided feedback (as at quarter 1) on ward priorities identified and incorporated in the 2019/20 IDP. In addition, communities were granted an opportunity to provide input on ward priorities for consideration in the 2020/21 financial period. The October/November 2019 public consultation engagements comprised of a combination of ward committee and public meetings, and a total of 450 community members attended.

The second round of engagements serve as platform to (1) provide an overview of the forthcoming MTREF; (2) provide feedback, as at quarter 3, on priorities identified for implementation during the year under review; and (3) provide feedback on the priorities to be considered for implementation during forthcoming financial year. Prior to commencing with the second round of engagements, the country recorded its first Covid-19 case (5 March 2020), which has (at the time) triggered a rapid spread. The President subsequently announced that the country would be placed under a complete lockdown as from 26 March 2020, with only essential work/industries permitted to operate. Municipalities were therefore obliged to institute alternative engagement methodologies in order to give effect to the constitutional and legislative prescripts to inform public involvement in matters of local government, whilst taking the Covid-19 lockdown and regulations into account. On this premise, the BVM formulated an interactive video highlighting the key

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

---

fundamentals pertaining to its IDP and budget. The video was published on the municipal website, Facebook page and circulated to all councillors. Citizens and stakeholders were granted an opportunity to participate and submit input hereon, through the following communication mechanisms:

- via the municipal website and social media page;
- electronically via the IDP and Budget offices (e-mail and contact details provided); and
- electronically via the applicable ward councillor and/or committee or via ward-based WhatsApp groups (where applicable).

### 2021/22 IDP and Budget

The 2021/22 IDP and budget planning and preparation cycle commenced during the 2020/21 financial period. In terms of public engagements, the same premise (as mentioned above) applied pertaining to the engagement period, frequency and methodology. Again, the ongoing Covid-19 pandemic, particularly the restriction placed on public gatherings, obliged the Municipality to implement alternative engagement mechanisms. On this premise, the following engagement methodology was adopted during the October/November 2020 public consultations:

- Ward councillors and committee members were encouraged to engage their constituencies (in accordance with the Covid-19 protocols) in order to solicit their (community) inputs on priority need areas for consideration in 2021/22
- Citizens were (in advance) encouraged to submit input on their priority needs (for consideration in 2021/22) to their respective ward councillor, committee member(s) and/or the municipal office
- Citizen were encouraged to utilize the following mechanisms to submit inputs:
  - Ward councillor and/or committee member(s)
    - via ward Whatsapp groups, e-mail and telephone contact details, verbally, etc.
  - Municipal offices/officials
    - via the official IDP e-mail address ([idp@bvm.gov.za](mailto:idp@bvm.gov.za)) or directly at the municipal office(s) for those unable to read and/or write (Covid-19 protocols observed)
    - via the link: <https://bvm.gov.za/page-templates-2/contact-us/> on the municipal website
    - by commenting on the subject matter that was posted on the municipal Facebook page (comments solely relating to ward priority need areas, directly or indirectly, were considered)
    - by completing the municipal questionnaire (populated by means of Google Form) that was created, enabling residents to capture detailed information pertaining to priority need areas within their respective wards

Engagements were then scheduled with each ward councillor and his/her ward committee to (1) provide feedback, as at quarter 1, on priorities identified for implementation during 2020/21; and (2) identification of new-, and/or review of existing priorities for consideration in 2021/22. All solicited community inputs were considered during point 2. In addition, the priority list (for 2020/21) served as point of departure towards adding, removing and/or amending the priority lists earmarked for implementation in 2021/22.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

---

Engaging with smaller, yet duly mandated community representative groups, meant that greater emphasis could be placed on the prioritisation of proposed priorities for consideration in 2021/22. Although each engagement was conducted physically, the department also utilised the MS Teams electronic platform which enabled members of the municipal support team (particularly the Executive Management Team) to sign-in and attend remotely. A total of 154 ward councillors and ward committee members participated in this particular round of engagements.

The second round of engagements (April – May 2021), were scheduled in accordance with the adjusted alert level 1 Covid-19 regulations. The following mechanisms were (subsequent to Council's notification of the draft IDP and budget and approval to proceed with public participation) put in place to engage the public:

- Hard copies of the IDP and budget were circulated to each municipal head office per town as well as all libraries. In addition, electronic copies were uploaded on the municipal website for public access and scrutiny;
- An interactive video, providing a concise overview of the 2021/22 IDP and budget, was produced and published on all municipal social media platforms as well as the municipal website;
- Citizens/stakeholders were encouraged to scrutinise the documentation/publication and submit their inputs/representations via the following mechanisms:
  - directly to their respective ward councillors, ward committee members via the ward Whatsapp groups, e-mail & telephone contact details, verbally, etc. for internal consideration;
  - via the official municipal e-mail addresses:
    - IDP: [idp@bvm.gov.za](mailto:idp@bvm.gov.za);
    - Budget: [bvolschenk@bvm.gov.za](mailto:bvolschenk@bvm.gov.za) or [acrotz@bvm.gov.za](mailto:acrotz@bvm.gov.za);
  - via the link: <https://bvm.gov.za/page-templates-2/contact-us/> on the municipal website;
  - by commenting on the subject matter that will be posted on the municipal Facebook page (only comments relating to the subject matter and purpose, will be considered); and
  - by visiting designated municipal officials at municipal offices (strict adherence to Covid-19 protocols) to capture inputs (only applicable for citizens that cannot read and/or write, and unable to access any of the means mentioned above).

In addition, the Municipality proposed two engagement options:

- Ward committee engagements - conducted on the same premise as implemented during the October 2020 round of engagements
- Public engagements – first-come-first-served, limited to a maximum of 100 persons per venue
- In both instances, the MS Teams electronic platform were be utilised to enable members of the municipal support team (particularly the Executive Management Team) to sign-in and attend remotely

Of the 21 engagements planned in consultation with ward councillors, 17 councillors opted for ward committee engagements whilst 4 opted for full public engagements. A total of 473 ward councillors, ward committee members and members of the public participated in this particular round of engagements.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

---

The pandemic highlighted the shortcomings within the pre-Covid-19 public participation processes and have stressed the important role that technology can occupy to bridge the gap, improve public participation processes and promote uninterrupted participation. However, the Municipality takes cognisance of the various challenges presented in this instance. The biggest being access to data/internet and devices to ensure connectivity, particularly within the most vulnerable areas of society. To overcome this, initial internal investigations are being planned to assess the viability and feasibility of rolling-out a data-friendly citizen engagement app, as well as public Wi-Fi in certain public spaces to potentially overcome the connectivity challenge and promote electronic public participation (amongst others). The citizen engagement app is in an advanced stage of development (as at 30 June 2021) and is anticipated to be rolled-out for public use by middle July 2021.

- **Ward committees:**

Ward committees remained operational throughout all 21 wards. As per the amended Ward Committee Policy (approved in June 2019), ward committee members were paid a fixed rate of R500 per month during the year under review. During a particular financial year, a target of six ward committee- and four community report back meetings (inclusive of the two IDP and budget meetings) are intended for implementation. In addition, ward committees are required to regularly report (formally and/or informally) on their operations. These minutes, attendance registers and reports enable the Municipality to gauge the functionality of ward committees.

### **Functionality of ward committees**

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

Furthermore, the revision of the composition of these ward committees was considered. If the ward area is divided into three or more communities, or if there is a vast area that must be covered in the ward, the department advises that the composition of that specific ward must be changed from sectoral/portfolio-based to geographical representation or a combination of sectoral/portfolio based and geographical representation. This would mean that a ward committee member will not only deal with issues related to his or her portfolio, but rather attend to all matters across all sectors in that community or section of the ward. This will not guarantee a 100% improvement rate of issues reported being solved, but it will allow the ward committee to attend to all matters as it arises daily.

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

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

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

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

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

1. Create a better support structure for the ward committees.
  - a. Dedicated public participation unit
  - b. Ward administration offices with ward administrators
2. Establish better communication between the Municipality, the ward committee and the community.
  - a. Monthly communication to the communities must take place
  - b. Issues reported and discussed at ward committee meetings must be filtered to the relevant departments in higher levels of urgency
3. Help create more awareness and education around the ward committees in all wards.
4. Must develop ward plans containing community projects and programme for development in line with the IDP and ward priorities.
5. Ensure that ward councillors are educated on their responsibilities and be held accountable for the performance of their ward committees.
6. The election of ward committees at the start of the new term of Council must be the highest priority and done properly. This is an essential requirement as it will (amongst others):
  - a. allow for proper representation (sectoral or geographical) is achieved
  - b. help ensure that sector or block engagements are conducted in the wards
  - c. help to channel sector specific issues and priorities to the relevant structure
  - d. contribute toward a functioning IDP Representative Forum
  - e. provide proper and better structures for feedback and consultations
  - f. improve communication channels to and from communities

### 3.19.1 Employees: IDP and PMS

The table below indicates the number of employees for IDP and PMS:

Occupational Level	2019/20	2020/21			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
		Number			
Top Management	1	1	1	0	0.00
Senior Management	1	1	1	0	0.00
Middle Management and Professionals	0	0	0	0	0.00

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Occupational Level	2019/20	2020/21			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Skilled Technical, Superintendents etc	3	3	3	0	0.00
Semi-skilled	1	1	1	0	0.00
Unskilled	0	0	0	0	0.00
<b>Total</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>0</b>	<b>0.00</b>

Table 192- Employees: IDP and PMS

### 3.20 LIBRARIES

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

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

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

Libraries maintain and develop information resources and develop staff members with in-service training and other skills. A formal accredited certificate course for 12 library employees continued throughout the year under review. The course commenced in January with a five- day training session at Worcester Library. Due to COVID-19 the next two training sessions were held online on 28-31 July 2020 and 12-15 October 2021. Thereafter students completed their workbooks for each module. Students still need to write their final examinations.

Libraries also develop organised systems with other relevant government departments and community organisations to enhance service delivery to our communities.

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

Membership and outreach	2019/20	2020/21
Total circulation statistics (Library material used during the financial year)	<b>205 021</b>	<b>123 688</b> (Libraries were hampered by severe lockdown)

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Membership and outreach	2019/20	2020/21
	(Due to the upgrade, the Worcester Library was closed from July 2019 - September 2019 and no library material could be circulated. In addition, no library material could be circulated during the lockdown (April 2020 – June 2020)	restrictions. When allowed they provided all services that could be done safely)
In-house usage (People using libraries during the financial year)	<b>233 069</b> (Due to the upgrade, the Worcester Library was closed from July 2019 - September 2019 and no library patrons could make use of the facility. In addition, no patrons were able to use the facilities during lockdown (April 2020 – June 2020)	<b>93 249</b> (Libraries were hampered by severe lockdown restrictions. When allowed they provided all services that could be done safely)
Outreach programs/promotional activities/group visits/displays	<b>1 518</b> (Although libraries were closed for upgrade and/or lockdown, significant strides were made in organising & implementing outreach programs. Educational toy library visits/programs were also included in the statistics)	<b>530</b> (Libraries were hampered by severe lockdown restrictions. When allowed they provided all services that could be done safely. A new outreach program emerged – helping the public register for Covid-19 vaccinations)
New members	<b>1 528</b> (Due to the upgrade, the Worcester Library was closed from July 2019 - September 2019 and no library patrons could join as a new member. In addition, no patrons were able to join as new members during lockdown (April 2020 – June 2020)	<b>916</b> (Libraries were hampered by severe lockdown restrictions. When allowed they provided all services that could be done safely)

Table 193- Membership and outreach statistics



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.20.1 Highlights: Libraries

The table below gives a brief description of all the highlights for libraries during the 2020/21 financial year:

Highlight	Description
Steenvliet Library Week 19 to 25 April 2021	A whole week of activities centred mostly around recycling. Activities included arts and crafts, colouring in, spelling bee, talk about puberty for teenagers, the recycling proses was explained and Bin-Bin visited the primary school, creche and library. With only two staff members the library used the sanitation department and EPWP workers to present the programs
Worcester Library visit creches	Four library week staff visited two creches and did library orientation and story time sessions in March. More story time sessions were held in April.
De Doorns Library visits Byekorf creche	Regular visits, when lockdown restrictions permitted, with story time and activities to this local creche
Sandhills Community Library reading group and Youth Day	Using the outdoor space this community library held regular story times for the reading group and a youth day program
Zweletemba library & school shoe donation	On 26 February, the "We Give Hope Foundation" in partnership with Zweletemba Library donated 55 pairs of shoes along with socks, masks and library materials in library bags to 3 schools in Zweletemba
Fairhills Community library orientation	Schools haven't visited libraries during lockdown, but a local school (Lorraine Primary School) brought their grade 2 learners for library orientation during book week in September 2020
Vaccine registrations	When the vaccination rollout program commenced, libraries assisted by putting up displays with all the relevant information, helping the public register or doing the registrations for them

Table 194- Library highlights

### 3.20.2 Challenges: Libraries

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

Challenge	Corrective action
Covid-19	PPE obtained and installed. Staff informed. Daily screening of staff and public. Follow all Covid-19 health and safety regulations and protocols. Library operations and procedures adapted to keep staff and the public safe. Books quarantined before shelved. Training, meetings, outreach programmes and communication all had to be adapted to accommodate the "new normal"

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Challenge	Corrective action
To get Esselen Library functional after a burglary during the first lockdown in March 2020. Library severely damaged and burgled.	Insurance claim. All damage repaired. All equipment replaced. Safety measures in place (alarm, cameras, security gate and burglar bars)

Table 195- Library challenges

### 3.20.3 Service statistics: Libraries

Type of service	2019/20	2020/21
<b>Libraries</b>		
<b>Number of libraries</b>	8 plus 5 mini libraries	8 plus 5 mini libraries
<b>Library members</b>	27 796 (June 2020)	27327 (June 2021)
<b>Books circulated</b>	205 021	123 688
<b>Exhibitions held</b>	348	468
<b>Internet users</b>	29 451	6 390
<b>New library service points or Wheelie Wagons</b>	No new service points introduced. The Worcester Library upgrade was completed and subsequently re-opened in September 2019	No new service points introduced
<b>Children programmes</b>	388 plus 782 toy library participants	42 plus 0 toy library participants (not permitted during the Covid-19 pandemic)
<b>Visits by school groups and crèches</b>	276	17 (schools did not go on outings, but visits were made to schools and creches where permitted).
<b>Book group meetings for adults</b>	4	1
<b>Primary and secondary book education sessions</b>	2	1

Table 196- Service statistics: Libraries

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.20.4 Employees: Libraries

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

Occupational Level	2019/20	2020/21			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	1	1	1	0	0.00
Senior Management	1	1	1	0	0.00
Middle Management and Professionals	1	1	1	0	0.00
Skilled Technical, Superintendents etc	10	8	8	0	0.00
Semi-skilled	36	35	34	1	2.86
Unskilled	0	0	0	0	0.00
<b>Total</b>	<b>47</b>	<b>47</b>	<b>46</b>	<b>1</b>	<b>2.13</b>

Table 197- Employees: Libraries

### 3.20.5 Capital expenditure: Libraries

The table below indicates the amount that was actually spent on library service projects for the 2020/21 financial year:

Capital projects	2020/21				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value
(R)					
Upgrade Waterloo library	100 000	100 000	99 491	509	100 000
<b>Total all</b>	<b>100 000</b>	<b>100 000</b>	<b>99 491</b>	<b>509</b>	<b>100 000</b>

*Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).*

Table 198- Capital expenditure 2020/21: Libraries

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.21 CEMETERIES

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

Cemetery	Air Space	Status		
		Open	Full	Closed
Hartebees	Sufficient	Yes		
De Wet			Yes	
Cemetery (Worcester Prison)				Yes
Old Cemetery Le Seuer Street				Yes
Worcester New Cemetery	Sufficient	Yes		
Touwsrivier (Town Cemetery)				Yes
Steenvliet	Touwsrivier extension in the planning stage	Yes		
Zwelethemba	Insufficient (98% full – estimated to reach full capacity within 6 months – 1 year)	Yes		
Sandhills	Sufficient	Yes		
Aan De Doorns Cemetery				Yes
Rawsonville Cemetery	Moderate (80% full – estimated to reach full capacity within 2 years)	Yes		
De Nova Cemetery				Yes
Weltevrede, De Doorns	Sufficient	Yes		
Old De Doorns Municipal Cemetery			Yes	
		<b>7</b>	<b>2</b>	<b>5</b>

Table 199- Status of cemeteries

Total burials per area for 2020/21 are as follows:

Month	Area									Total
	Nuwe Worcester	Hartebees	Sandhills	Zwelethemba	De Doorns: Weltevrede	Touwsrivier: Steenvliet	Rawsonville	De Wet	Aan De Doorns	
July 2020	38	0	1	16	19	9	10	1	0	94
August 2020	62	12	4	16	26	6	9	2	0	137
September 2020	57	4	5	11	17	8	8	0	0	110
October 2020	38	0	1	24	19	2	9	2	0	95
November 2020	36	0	5	13	15	9	8	1	0	87

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Month	Area									Total
	Nuwe Worcester	Hartebees	Sandhills	Zwelethemba	De Doorns: Weltevrede	Touwsrivier: Steenvliet	Rawsonville	De Wet	Aan De Doorns	
December 2020	37	6	5	21	21	4	9	0	0	103
January 2021	101	0	6	46	36	13	29	6	0	237
February 2021	46	0	2	15	16	14	13	2	0	108
March 2021	44	0	4	13	20	5	12	0	0	98
April 2021	40	0	3	13	14	10	8	0	0	88
May 2021	57	0	3	20	24	7	18	0	0	129
June 2021	48	0	5	14	22	7	7	0	0	103
<b>Total</b>	<b>604</b>	<b>22</b>	<b>44</b>	<b>222</b>	<b>249</b>	<b>94</b>	<b>140</b>	<b>14</b>	<b>0</b>	<b>1 389</b>

Table 200- Total burials per area

### 3.21.1 Employees: Cemeteries

The table below indicates the number of employees for cemeteries:

Occupational Level	2019/20	2020/21			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	1	1	0	1	100.00
Senior Management	0	0	0	0	0.00
Middle Management and Professionals	1	1	0	1	100.00
Skilled Technical, Superintendents etc	1	1	1	0	0.00
Semi-skilled	1	1	0	1	100.00
Unskilled	4	4	3	1	25.00
<b>Total</b>	<b>8</b>	<b>8</b>	<b>4</b>	<b>4</b>	<b>50.00</b>

Table 201- Employees: Cemeteries

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.22 REGIONAL SOCIO-ECONOMIC PROGRAMME (RSEP)

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

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

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

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

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

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



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

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

- Construction of three tar-surfaced playing areas in Touwsrivier
- Construction of artificial grass mini-soccer pitches in Avian Park, Riverview, Roodewal and Zwelethemba (one in each suburb)
- Fencing of the above
- The purchase of steel playground equipment for Touwsrivier
- The upgrade of Mtwazi Street road reserve for improved pedestrian, recreational and informal trading facilities (multi-year project earmarked for completion in 2020/21)
- The construction of a pedestrian bridge across the Donkies River in Touwsrivier (multi-year project earmarked for completion in 2020/21)



During the 2019/20 financial year the following projects were undertaken:

- The completion of the upgrade of Mtwazi Street road reserve which commenced in 2019/20
- The completion of the pedestrian bridge across the Donkies Rivier in Touwsrivier which commenced in 2019/20
- Construction of an artificial grass mini-soccer pitch in Steenvliet in Touwsrivier
- The tender for the construction of traffic calming measures in Avian Park, Riverview, Roodewal, Touwsrivier and Zwelethemba (initially earmarked for construction during 2020/21) was only awarded in June 2020 due to delays caused by the Covid-19 pandemic. As a result, a budget roll-over application was submitted to the Provincial Department of Environmental Affairs & Development Planning (DEA&DP) in order to solicit approval and funding for project implementation within the 2020/21 financial year.



During the 2020/21 financial year the following projects were undertaken:

- The construction of a tar-surfaced netball court in De Doorns
- The construction of a grass rugby field in Sunnyside-Orchard
- The upgrade of the sewer connection for the Riverview Neighbourhood Centre and the Women of Hope Soup Kitchen
- The installation of steel playground equipment in Avian Park, Riverview, Roodewal, Zwelethemba and at three locations in Touwsrivier
- The construction of traffic calming measures in Avian Park, Riverview and Zwelethemba





## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.22.1 Service delivery indicators: RSEP

The key performance indicators for RSEP are:

Ref	KPI Name	Unit of Measurement	Wards	2019/20		Overall Performance for 2020/21		
				Target	Actual	Target	Actual	R
TL5	Complete construction of pedestrian bridge across Donkies River in Touwsrivier by 30 June 2021	Project completed	1	N/A	N/A	1	1	
TL6	Complete construction of shared economic infrastructure facility in Zwelethemba by 30 June 2021	Project completed	8; 16; 17; 18	N/A	N/A	1	1	
TL3	Spend 90% of the budget allocated for the Regional Socio Economic Programme by 30 June 2021 {(Actual expenditure divided by the total approved capital budget) x 100}	% of budget spent	12; 21; 11; 13; 14; 10; 9; 8; 16; 17; 18	90%	80.79%	90.00%	92.57%	

Table 202- Service delivery indicators: RSEP

### 3.22.2 Capital expenditure: RSEP

The table below indicates the amount that was actually spent on RSEP for the 2020/21 financial year:

Capital projects	2020/21				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value
(R)					
Play parks Touwsrivier	240 000	286 896	286 895	1	286 895
Upgrade of soccer pitch in Rawsonville	420 000	0	0	0	0
De Doorns tar-surfaced netball court	330 000	284 511	284 511	0	284 511
Upgrading of playparks in Avian Park, Riverview, Roodewal and Zwelethemba	260 000	251 553	206 421	45 132	206 421
Sewer connection for neighbourhood centre in Riverview	450 000	450 000	305 873	144 127	305 873
Upgrade of rugby field in Stofland	200 000	0	0	0	0
Upgrade of rugby field in De Doorns West (Sunnyside Orchards)	0	841 031	841 031	0	841 031



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Capital projects	2020/21				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value
(R)					
Speed humps in Avian Park, Roodewal, Riverview, Touwsrivier and Zwelethemba	0	295 727	295 726	1	295 726
Shared Economic Infrastructure Facility for informal traders in Zwelethemba	0	138 379	138 379	0	138 379
<b>Total all</b>	<b>1 900 000</b>	<b>2 548 097</b>	<b>2 358 837</b>	<b>189 260</b>	<b>2 358 837</b>
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table 203- Capital expenditure 2020/21: RSEP

### 3.23 PARKS

The improvements and new developments to parks during 2020/21 can be seen from the table below:

Park	Suburb / Town
Orchard Park	De Doorns
Kollie Nelson	Worcester

Table 204- Improvements and developments to parks

The table below gives a brief description of all the highlights for parks during the 2020/21 financial year:

Highlight	Description
Orchard Park - De Doorns	Completion of ward-based project – New play equipment

Table 205- Parks highlights

The table below gives a brief description of the challenges experienced by the parks department during the 2020/21 financial year:

Challenge	Corrective action
Shortage of budget	More funding to be allocated towards maintenance

Table 206- Parks challenges

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.23.1 Capital expenditure: Parks

The table below indicates the amount that was actually spent on parks for the 2020/21 financial year:

Capital projects	2020/21				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value
(R)					
Ward 5: Development of Parks	0	30 731	9 900	20 831	9 900
<b>Total all</b>	<b>0</b>	<b>30 731</b>	<b>9 900</b>	<b>20 831</b>	<b>9 900</b>
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table 207- Capital expenditure 2020/21: Parks

## COMPONENT E: ENVIRONMENTAL PROTECTION

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

### 3.24 POLLUTION CONTROL

#### Introduction

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

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

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### Status Quo of Air Quality Management Plan

The AQMP of BVM was developed by the AQO and adopted by MayCo in June 2017 (Resolution EX17/2017). The "Implementation Plan" as described in the AQMP defines its goals and is divided into specific objectives. The following table summarises the current status quo as at 30 June 2021:

Requirement	Status	Comment
Air Quality Officer	In place	Vacant (Temporary Air Quality Officer appointed until position is filled)
Air Quality Management Plan	Completed	Adopted by MayCo - June 2017
AQMP incorporated in IDP	Yes	Chapter 5, Section 6.1(f)
Budget allocated for AQ	No	No cost centre exist, thus no budgeted funds available
Capacity – Human Resources and skills	Limited	<ul style="list-style-type: none"> <li>• AQO position is currently vacant since 1 April 2021</li> <li>• Co-opt laboratory staff when needed</li> <li>• Air quality monitoring and EMI training opportunities needed</li> </ul>
Complaints register	Design of the register in process	Total of 2 complaints attended to during 2020/21
Site visits / Inspections	Continuous activity	Due to Covid-19 all scheduled training for the period 2020-2021 was postponed until further notice. In addition, no site visits/inspections were conducted by the municipality during the year under review
Emission inventory list	In progress	Internal project initiated by AQO to quantify the number of fuel-burning appliances and other emitters within the Municipality
Establishment of Local AQO's forum within district	Not yet	AQO officer of Cape Winelands District Municipality to drive this process
Educational awareness in terms of AQ	Not yet	Must arrange a meeting with new Communication Manager of BVM to kickstart campaign

Table 208- Status Quo – AQMP Implementation Plan

### Air Quality By-law

A draft Air Quality By-Law has been compiled and submitted to the legal department of BVM for their input and recommendations.

### Quarterly Air Quality Forums

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

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Date	Place	BVM Official
4 November 2020	Virtual Meeting via Microsoft Teams	A Noble
17 February 2021	Virtual Meeting via Microsoft Teams	A Noble
12 May 2021	Virtual Meeting via Microsoft Teams	A Noble

Table 209- AQ Forum Meetings for the Period 1 July 2020 to 30 June 2021

Month/Year	Industry	Nature of complaint	Outcome
October 2020	Langerug	Bad Odours	Numerous visits to the alleged site (as stipulated in the complaint) was held and investigations were launched to identify the origin(s) of the odour. No odour(s) were detected during any of the visits/investigations
April 2021	Worcester Gearbox Centre	Bad Odours	Investigation found that the odour originated from Distell's Waste Water Package Plant's start-up process. Distell informed the Municipality accordingly and confirmed that the unpleasant odour may be prevalent for a certain period

Table 210- Table 2: Complaints received for the period 1 July 2020 – 30 June 2021

### Challenges

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

- No budget for AQ exists – funds are diverted from other votes within the Water Services Department
- Capacity in terms of human resources – e.g. There is currently a Temporary Air Quality Officer standing in till a permanent appointment as Air Quality Officer is made. A few employees are identified to assist in air quality monitoring, but they still need to receive training to function accordingly
- Skills Training – AQ is a new focus area within BVM and currently “on-the-job-training” experience is the only way to enhance our skill set within Air Quality. However, the provincial government will present courses and names of officials has been forwarded for the Environmental Management Inspector and a basic course in Air Quality Monitoring

### Emissions inventory

During February 2019, the department initiated an internal project relating to the compilation of a database of emission producers (inclusive of boilers, spray booth facilities and generators – particularly as the increased use hereof due to load shedding, result in greater emissions) in the Breede Valley Municipality. However, the project was suspended due to internal human resource constraints, but reconvened in January 2020. Unfortunately, the Covid-19 pandemic and subsequent lockdown regulations resulted in another suspension of the project (specifically the intended survey) effective from March 2020 until 30 June 2020. As lockdown regulations are eased, the project implementation scope will be reconsidered and reconvened in accordance with the applicable Covid-19 alert-level regulations, and preferably within the 2020/21 financial year.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

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As of January 2021, the Air Quality Survey was initiated (as interim measure) as part of the industrial effluent applications process where there is a section in the industrial effluent application form based on air quality emitters at the industries.

This is to gather information and establish a database of emitters. This process will be followed up with an application form for those industries that indicated that they are emitters of emissions that could adversely impact the air quality.

Once the application forms have been checked against a pre-determined list of factors, a letter will be issued to the industry which states that its fuel burning appliance is registered with the municipality. In addition, the letter also confirms that annual visits/inspections will be conducted to ascertain whether the status quo remains the same as per the completed application form by each respective industry.

The final step is to plot all the fuel burning appliances on a GIS map indicating their location and basic information. This process is still in planning as the survey to establish a database is still in progress.

### 3.25 BIODIVERSITY, LANDSCAPE AND OPEN SPACES

The relevant department is responsible for a large number of functions, including the:

- management and maintenance of trees;
- removal of unwanted and alien trees;
- planting of new indigenous trees;
- irrigation of trees and open spaces, as well as entrances to the towns;
- weeding and cleaning of sidewalks and open spaces;
- beautification of certain focus areas; and
- landscaping and the mowing of parks, open spaces and buffer zones.

Due to delays in the memorandum of understanding between BVM and DEA&DP, no new work was done with regards to alien clearing. The workers started their training just before lockdown and thus did not commence with alien clearing.

## COMPONENT F: SECURITY AND SAFETY

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### 3.26 TRAFFIC AND LICENSING

The primary goal of BVM Traffic Services, is to render an effective and high-quality service through a process of transparency in all facets of the traffic services (i.e. traffic regulation & control, traffic licensing and municipal law enforcement & security), and in rendering a service to the community and its visitors by ensuring the free flow of traffic and creating a safe environment. The main priorities of traffic are:

- The testing of applicants for driving licenses, learner's licenses and the application and renewal of professional driving licenses
- The registration and licensing of motor vehicles

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

- The promotion of road safety and law enforcement
- Traffic road school education and scholar patrol training

### 3.26.1 Highlights: Traffic and licensing

The table below gives a brief description of all the highlights for traffic and licensing during the 2020/21 financial year:

Highlight	Description
330 students received Learners License Training	Ward councillors nominated members of the community to receive the training from our Educational Official
EPWP – 24 Law Enforcement Officers, 3 Chrysalis, 29 BVM	The officials are used at worksites for access control or Law Enforcement Officers
3 Vehicles were hired	The vehicles were provided to the Bylaw Enforcement Section that has a shortage of vehicles
Municipal Court opened	The Court Section assumed office at the end of June 2021 and commenced with operations in July 2021

Table 211- Traffic and licensing highlights

### 3.26.2 Challenges: Traffic and licensing

The table below gives a brief description of the traffic and licensing challenges during the 2020/21 financial year:

Challenge	Corrective action
No training, lack of safety training and equipment	No training will be available due to the Covid-19 pandemic. The department will engage HR to ascertain whether training can be provided through alternative means (subject to the nature of the training)
Shortage of vehicles	More vehicles needs to be procured, most vehicles are old
Shortage of staff	All vacant position were made unfunded to mitigate and manage costs on the backdrop of the financial uncertainty presented by Covid-19. The department is negotiating for the re-funding of these vacancies in order to prioritise the advertisement and filling thereof. In addition, the department managed to secure temporary employment through the municipal EPWP programme
Operational speed contract ended December 2020	No new speed offences were generated after December 2020
Insufficient impoundment facilities	Funding must be looked at a tow truck to transport the vehicles to Paarl Impoundment
Shortage of overtime	Budgeting must be managed well
Shortage of paint	
Target for fines of R24 million	Only when a new speed contract is awarded will it be possible for the fine income to increase with the help of the Municipal Court
Reducing of Learners classes and Driver's license testing	Due to Covid-19 regulation beyond our control

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Challenge	Corrective action
Faulty equipment	VTS equipment is expensive to maintain but needs to be done regularly
Misuse of sick leave	The department closely monitors sick leave patterns, flags exceptional cases and submits these to HR to institute disciplinary proceedings (as and if required)

Table 212- Traffic and licensing challenges

### 3.26.3 Service statistics: Traffic services

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

Details	2015/16	2016/17	2018/19	2019/20/	2020/21
	Actual no.	Actual no.	Actual no.	Actual no.	Actual no.
Number of road traffic accidents during the year	1 538	1 008	1 961	<b>596</b>	<b>401</b>
Number of infringements attended	86 929	95 276	16 705	<b>29 220</b>	<b>18 693</b>
Number of traffic officers in the field on an average day	15	18	4	<b>4</b>	<b>5</b>
Number of traffic officers on duty on an average day	21	19	12	<b>12</b>	<b>10</b>
Number of driver's licenses issued*	1 467*	1 826*	7 537*	<b>2 037</b>	<b>1 335</b>
Number of learner's licenses issued	2 691	2 719	2 748	<b>2 316</b>	<b>2 206</b>
Number of motor vehicle license transactions	129 799	126 812	95 363	<b>92 639</b>	<b>95 501</b>
<i>*Includes renewals</i>					

Table 213- Service data for traffic services

### 3.26.4 Employees: Traffic services

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

Occupational Level	2019/20	2020/21			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
		Number			
Top Management	1	1	1	0	0.00
Senior Management	1	1	1	0	0.00
Middle Management	11	11	10	1	9.09

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Occupational Level	2019/20	2020/21			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
		Number			
and Professionals					
Skilled Technical, Superintendents etc	36	36	35	1	2.78
Semi-skilled	28	28	27	1	3.57
Unskilled	13	13	11	2	15.38
<b>Total</b>	<b>90</b>	<b>90</b>	<b>85</b>	<b>5</b>	<b>5.56</b>

Table 214- Employees: Traffic services

### 3.27 FIRE, RESCUE AND DISASTER MANAGEMENT SERVICES

**Vision statement:** *Making Life Safer*

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

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

#### Key strategies

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

#### 3.27.1 Highlights: Fire services and disaster management

The table below gives a brief description of all the highlights for fire services and disaster management during the 2020/21 financial year:

Highlight	Description
Joint Operations Centre (JOC) established in response to Covid-19	The Covid-19 pandemic is managed Nationally, Provincially and Locally under the Disaster Management Act. Locally, BVM (Fire & Rescue Services) commissioned the Covid-19 JOC, in collaboration with the Provincial Departments of Health, Education and Social Development; the Cape Winelands District Municipality; the SAPS and Correctional Services as well as internal municipal departments. The purpose of this committee was to



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)



Highlight	Description
Santam Equipment sponsorship	<p>facilitate a collective response towards the pandemic and its associated impact, and also report on the status of initiatives identified as a response mechanism</p> <p>Vitally important equipment was received from SANTAM to the value of approximately R 500 000.00</p> <p>In addition SANTAM also provided 400 smoke alarms for installation in the most vulnerable communities in our area. This is to assist in the reduction of fires and the loss of life due to fires</p>  
Fire and Life Safety Education	<p>Continuous roll-out of Fire and Life Safety Education programmes, comprising of:</p> <ul style="list-style-type: none"> <li>• Learn not to Burn (ECD)</li> <li>• Remembering when (training for the elderly and frail)</li> <li>• Prepare for Emergency (Businesses)</li> <li>• Door to Door</li> <li>• Smoke Alarm</li> </ul>
Technology and other early warning methods used to plan for severe weather patterns	<p>The following technology and early warning methods were implemented:</p> <ul style="list-style-type: none"> <li>• Fire Danger Index – this system, developed by the CSIR, warns of severe conditions prone for runaway fires. The monitoring of this system allows the BVFD to proactively plan and prepare for any potential disasters that may occur as a result of associated conditions</li> <li>• It is also used to warn residents such as farm owners and workers to be vigilant and prevent fires at all cost</li> <li>• Severe storm warnings are used to (amongst others) plan for operational response to floods and to warn communities (that may possibly be affected) well in advanced to either evacuate or to be vigilant of the prevalent risks</li> <li>• Several marking systems (such as the Rawsonville bridge) and systems where people are phoned to report the rise in river levels are used to accurately predict the rise in water levels</li> </ul>
International Research Participation - Breede Valley Fire Department Prevention of Fire Deaths and Damage to Informal Settlement	<p>Following is the abstract to the current research continued at the BVM Fire Dept Training Centre in conjunction with the University of Stellenbosch. It is estimated that the number of people residing in informal settlements will increase from 1 billion globally, to 1.2 billion in Africa alone by 2050. It is known that informal settlements are becoming denser annually, both in terms of the population and the number of dwellings per area, and that the number of large conflagrations in informal settlements are becoming more frequent.</p> <p>As settlements are becoming denser, inhabitants often resort to building upwards. As a result, double storey informal settlement dwellings are becoming more common. Currently, there is no research in terms of better understanding the fire dynamics in double storey informal settlement dwellings along with the added fire risks associated with such structures.</p> <p>However, it is argued that fire suppression would be extremely difficult in these circumstances, and it was found that firefighters would be exposed to significant risks if they were to be in the vicinity of these dwellings during a fire. In dense settlements firefighters may be required to leave such structures to burnout, whilst inhabitants may need to be restrained from entering fire damaged homes due to safety concerns</p>

Table 215-

Fire Services and Disaster Management highlights

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.27.2 Challenges: Fire Services and disaster management

The table below gives a brief description of the Fire Services and Disaster Management challenges during the 2019/20 financial year:

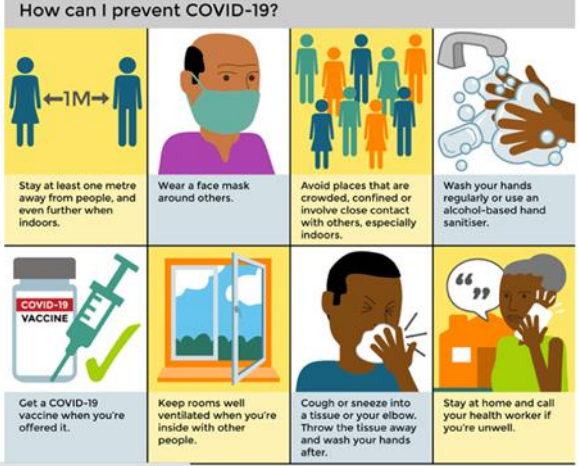
Challenge	Corrective action
<p>Covid-19 (General and personal safety)</p>	<p>Covid-19 significantly disrupted the daily being and operations throughout all facets of society and highlighted the significant vulnerability of the human race. The BVM and all residents and visitors are affected on various levels. The main implication came down to the prevention of the virus from spreading. This caused major disruptions in the economy and has exacerbated poverty.</p> <p>In addition to screening and civil education, the following methods were promoted to limit the spread of the virus:</p> 
<p>Vehicle to access off-road and difficult to reach remote areas</p>	<p>The department do not have a dedicated off-road vehicle/fire engine that can combat structural and veld fires in areas that the urban fire engines are not designed for. Off road vehicle should be acquired in order to access difficult to reach areas.</p>
<p>Avian Park Civil Unrest in Rolihlahla Informal settlement and adjoining areas</p>	<p>The civil unrest in Avian Park remains a concern and is according to the SAPS, gang related. The BVFD has experienced several incidents where vehicles were damaged and, more concerning, firefighters injured and lives endangered. This had a direct influence on our core responsibility in that we cannot perform our function properly in suburbs where fire fighter's lives are threatened. The smoke alarm project was also affected as entrance to the area was restricted, which meant that the research footwork in and around the structures could not be performed.</p> <p>The following measures have been implemented to protect our personnel and ensure that a reasonable measure and level of service is provided:</p> <ul style="list-style-type: none"> <li>• Several meetings were held with SAPS</li> <li>• It was agreed that SAPS will first safeguard the scene before the fire department enters</li> <li>• SAPS will remain on scene until the command is terminated</li> </ul>
<p>Roodewal illegal structures built under 66 000-volt pylons</p>	<p>The illegal structures that are being built under the 66 000-volt pylons are a major concern. The situation is potentially life threatening to the community living there, also to the firefighters having to respond to potential fires.</p> <p>A report detailing the dangers were submitted. The only alternative or solution to the problem is the removal of the illegal occupants</p>
<p>Disaster management capacity</p>	<p>The amended Disaster Management act places a definitive responsibility on B municipalities. The department is unable to perform these functions to the satisfaction of the law without a dedicated Disaster Management Practitioner.</p> <p>A dedicated Disaster Management Officer should be appointed</p>

Table 216- Fire Services and Disaster Management challenges

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.27.3 Service statistics: Fire services and disaster management

Details	2019/20	2020/21
	Actual no.	Actual no.
Total fires attended in the year	586	823
Total of other incidents attended in the year	121	135
Fire-fighters in post at year end	49	46
Total fire appliances at year end	12	12

Table 217- Service data for Fire Services

### 3.27.4 Employees: Fire services and disaster management

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

Occupational Level	2019/20	2020/21			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
		Number			
Top Management	1	1	1	0	0.00
Senior Management	1	1	1	0	0.00
Middle Management and Professionals	5	5	4	1	20.00
Skilled Technical, Superintendents etc	37	37	32	5	13.51
Semi-skilled	23	23	23	0	0.00
Unskilled	1	1	1	0	0.00
<b>Total</b>	<b>68</b>	<b>68</b>	<b>62</b>	<b>6</b>	<b>8.82</b>

Table 218- Employees: Fire services and disaster management

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.27.5 Capital expenditure: Fire services

The table below indicates the amount that was actually spent on fire service projects for the 2020/21 financial year:

Capital projects	2020/21				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value
(R)					
Fire Fighting Equipment - Donated Assets	0	450 000	799 540	-349 540	450 000
Fire Station: De Doorns	0	1 324 039	794 307	529 732	1 324 039
<b>Total all</b>	<b>0</b>	<b>1 774 039</b>	<b>1 593 847</b>	<b>180 192</b>	<b>1 774 039</b>
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					

Table 219- Capital expenditure 2020/21: Fire services

## COMPONENT G: SPORT AND RECREATION

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

### 3.28 HOLIDAY RESORTS AND CAMPSITES

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

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

Resort	2019/20	2020/21
Nekkies Meer Chalets	R1 185 261	R1 159 876
Nekkies Resort	R1 105 926	R99 868

Table 220- Income generated from the resort

The table below gives a brief description of all the highlights for holiday resorts and campsites during the 2020/21 financial year:

Highlight	Description
Replace Rainsides at Nekkies Lake Chalets with Nutec Board	Six units were initially planned for completion, however, only one sample unit could be completed. The other units

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Highlight	Description
	are earmarked to be completed inhouse (i.e. EPWP). One unit has been completed in June, whilst the remainder are earmarked for completion in the new financial year (subject to the availability of funding)
Painting of Chalet Roofs with Forest Green Roof Paint	This project also includes EPWP staff, and we managed to complete 14 out of the 17 chalets. The 3 remaining chalets, Conference Facility and Lapa is earmarked for completion in the new financial year (subject to the availability of funding)
Painting of Chalets-Inside (Nekkies Lake)	The interior of all chalets were painted and all wooden decks were treated to ensure good standards and customer friendly units. The works were conducted inhouse (EPWP)
Treatment on Conference Building (Outside)	The Conference Facility stone structure (exterior) was treated with varnish to ensure a beautiful, shiny and well-maintained look. The works were conducted inhouse (EPWP)
Conference Patio Deck	Repair broken wood, tighten all loose structures and paint deck with brownish wooden paint
Painting of Swimming Pool (Lake Chalets)	The swimming pool has been repaired of all cracks and leaks and been repainted with a fibre solution for long lasting effect. The works were conducted inhouse (EPWP)
Secure Diamond Wire Fencing (Resort)	Fit diamond wire fence around campsite to ensure better safety and controls. The works were conducted inhouse (EPWP)
Painting of Swimming Pool (Resort)	Swimming pool has been painted with fibre solution. The works were conducted by a contractor appointed
Replace Swimming Pool Motor and Pump (Resort)	The swimming pool filter, pump and motor has been replaced. The works were conducted by a contractor

Table 221- Holiday resorts and campsites highlights

The table below gives a brief description of the holiday resorts and campsites challenges during the 2020/21 financial year:

Challenge	Corrective action
No Day Visitors or Camping Allowed due to Covid-19 Pandemic	We only allow chalet visits with a 50% capacity max. In doing so, the department could reinstate a revenue-generating practice (albeit scaled-down), which is critical towards upholding and maintaining the facility

Table 222- Holiday resorts and campsites challenges

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.28.1 Employees: Holiday resorts and campsites

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

Occupational Level	2019/20	2020/21			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
		Number			
Top Management	1	1	1	0	0.00
Senior Management	1	1	1	0	0.00
Middle Management and Professionals	0	0	0	0	0.00
Skilled Technical, Superintendents etc	1	1	1	0	0.00
Semi-skilled	10	10	10	0	0.00
Unskilled	2	2	2	0	0.00
<b>Total</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>0</b>	<b>0.00</b>

Table 223- Employees: Holiday resorts and campsites

### 3.29 SWIMMING POOLS AND SPORT GROUNDS

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

The table below gives a brief description of all the highlights for swimming pools and sportsgrounds during the 2020/21 financial year:

Highlight	Description
Upgrade at De La Bat Swimming Pool	New pump and filter system New pipe fittings New chemical dosing box
Repair at Grey Street Swimming Pool	Repair filter system with new nozzles, filter sand & epoxy
Upgrade at Sunnyside Orchard (New Rugby Field)	Lazer cutting and levelling of surface Top soil

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Highlight	Description
	Roll-on grass Water canon with 100m water pipe
Film Shoot at De La Bat Swimming Pool	Outdoor events had a film shoot
Construction of Zwelethemba Swimming Pool	The construction works are currently in progress and anticipated to be completed by 31 December 2021

Table 224- Swimming pools and sportgrounds highlights

The table below gives a brief description of the swimming pools and sportgrounds challenges during the 2020/21 financial year:

Challenge	Corrective action
Upgrade Facilities at Rawsonville Sportsground	We applied for MIG funding. Still waiting for feedback from DCAS
New Spectator Fence at De Wet Sportsground	We applied for MIG funding. Still waiting for feedback from DCAS
Due to COVID-19 all facilities were closed for the biggest part of the 2020/21 financial period	The department will regularly engage with all applicable governmental stakeholders to formulate a plan on the safe and systematic reopening of facilities. It should however be noted that the reopening is subject to the applicable Covid-19 regulations and mitigation strategies

Table 225- Swimming pools and sportgrounds challenges

### 3.29.1 Service statistics: Swimming pools and sport grounds

Type of service	2019/20	2020/21
<b>Swimming pools, stadiums and sport grounds</b>		
Number of sport grounds/fields	8	8
Number of swimming pools	3	3
Number of stadiums	8	8
Number of complaints addressed – swimming pools	0	0

Table 226- Statistics: Swimming pools and sport grounds

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.29.2 Service delivery indicators: Swimming pools and sport grounds

The key performance indicator for swimming pools and sport grounds is:

Ref	KPI Name	Unit of Measurement	Wards	2019/20		Overall Performance for 2020/21		
				Target	Actual	Target	Actual	R
TL39	Spend 90% of capital budget allocated for the construction of the Zwelethemba municipal swimming pool by 30 June 2021	% of capital budget spent	16; 17; 18; 8	90%	72.64%	90.00%	100.00%	G2

Table 227- Service delivery indicators: Swimming pools and sport grounds

### 3.29.3 Employees: Swimming pools and community halls

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

Occupational Level	2019/20	2020/21			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	1	1	1	0	0.00
Senior Management	1	1	1	0	0.00
Middle Management and Professionals	0	0	0	0	0.00
Skilled Technical, Superintendents etc	0	0	0	0	0.00
Semi-skilled	14	14	13	1	7.14
Unskilled	0	0	0	0	0.00
<b>Total</b>	<b>16</b>	<b>16</b>	<b>15</b>	<b>1</b>	<b>6.25</b>

Table 228- Employees: Swimming pools and community halls



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.29.4 Capital expenditure: Swimming pools and sport grounds

The table below indicates the amount that was actually spent on swimming pools and sports grounds projects for the 2020/21 financial year:

Capital projects	2020/21				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value
(R)					
Zweletemba - New Swimming Bath	0	9 648 176	9 648 175	1	25 148 175
<b>Total all</b>	<b>0</b>	<b>9 648 176</b>	<b>9 648 175</b>	<b>1</b>	<b>25 148 175</b>

*Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).*

Table 229- Capital expenditure 2020/21: Swimming pools and sport grounds

## COMPONENT H: CORPORATE POLICY, OFFICES AND OTHER SERVICES

### 3.30 EXECUTIVE AND COUNCIL

#### 3.30.1 Employees: Executive and Council

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

Occupational Level	2019/20	2020/21			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	1	1	1	0	0.00
Senior Management	0	0	0	0	0.00
Middle Management and Professionals	1	1	1	0	0.00
Skilled Technical, Superintendents etc	0	0	0	0	0.00
Semi-skilled	9	9	9	0	0.00
Unskilled	0	0	0	0	0.00

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Occupational Level	2019/20	2020/21			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
		Number			
<b>Total</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>0</b>	<b>0.00</b>

Table 230- Employees: Executive and Council

### 3.30.2 Employees: Office of the Municipal Manager

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

Occupational Level	2019/20	2020/21			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
		Number			
Top Management	1	1	1	0	0.00
Senior Management	2	2	2	0	0.00
Middle Management and Professionals	1	1	0	1	100.00
Skilled Technical, Superintendents etc	6	6	5	1	16.67
Semi-skilled	2	2	2	0	0.00
Unskilled	0	0	0	0	0.00
<b>Total</b>	<b>12</b>	<b>12</b>	<b>10</b>	<b>2</b>	<b>16.67</b>

Table 231- Employees: Office of the Municipal Manager

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.30.3 Capital expenditure: Executive and Council

The table below indicates the amount that was actually spent on executive and council projects for the 2020/21 financial year:

Capital projects	2020/21				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value
(R)					
Mayco : Furniture and Equipment	5 000	49 500	48 975	525	48 975
MM Admin : Furniture and Equipment	5 000	60 000	36 683	23 317	36 683
<b>Total all</b>	<b>10 000</b>	<b>109 500</b>	<b>85 658</b>	<b>23 842</b>	<b>85 658</b>
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table 232- Capital expenditure 2020/21: Executive and Council

### 3.31 FINANCIAL SERVICES

#### 3.31.1 Service delivery indicators: Financial services

The key performance indicators for financial services are:

Ref	KPI Name	Unit of Measurement	Wards	2019/20		Overall Performance for 2020/21		
				Target	Actual	Target	Actual	R
TL4	The percentage of the municipal capital budget spent on projects as at 30 June 2021 (Actual amount spent on capital projects/Total amount budgeted for capital projects)X100	% of the municipal capital budget spent	All	95%	80.55%	90.00%	92.14%	G2
TL18	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2021 (Short Term Borrowing + Long Term Borrowing ) / (Total Operating Revenue - Operating	% of debt coverage	All	45%	18.46%	45.00%	18.28%	B

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI Name	Unit of Measurement	Wards	2019/20		Overall Performance for 2020/21		
				Target	Actual	Target	Actual	R
	Conditional Grant) x 100							
TL19	Financial viability measured in terms of the outstanding service debtors as at 30 June 2021 ((Total outstanding service debtors/ revenue received for services)X100)	% of outstanding service debtors	All	16.50%	15.66%	<b>16.50%</b>	<b>14.48%</b>	B
TL20	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2021 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excl Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	Number of months it takes to cover fix operating expenditure with available cash	All	1.5	2.05	<b>1.5</b>	<b>2.58</b>	B
TL23	Submit the approved financial statements for 2019/20 to the Auditor-General by 31 October 2020	Approved financial statements for 2019/20 submitted to the AG	All	1	1	<b>1</b>	<b>1</b>	G
TL24	Achieve a payment percentage of above 95% as at 30 June 2021 (Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue) x 100	% Payment achieved	All	95%	93.22%	<b>95.00%</b>	<b>95.00%</b>	G
TL14	Provide free basic water to indigent households earning	Number of indigent households receiving free basic water	All	8700	8891	<b>9 200</b>	<b>9 556</b>	G2

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI Name	Unit of Measurement	Wards	2019/20		Overall Performance for 2020/21		
				Target	Actual	Target	Actual	R
	less than R4500 as at 30 June 2021							
TL15	Provide free basic electricity to indigent households earning less than R4500 as at 30 June 2021	Number of indigent households receiving free basic electricity	All	8700	8891	9 200	9 556	G2
TL16	Provide free basic sanitation to indigent households earning less than R4500 as at 30 June 2021	Number of indigent households receiving free basic sanitation	All	8700	8891	9 200	9 556	G2
TL17	Provide free basic refuse removal to indigent households earning less than R4500 as at 30 June 2021	Number of indigent households receiving free basic refuse removal	All	8700	8891	9 200	9 556	G2
TL25	Review the MGRO Clean Audit Plan and submit to the Municipal Manager by 30 April 2021	Letter signed off by the Municipal Manager that MGRO Clean Audit Plan was reviewed and submitted	All	1	1	1	1	G
TL26	Achieve an unqualified audit for the 2019/20 financial year by 28 February 2021	Audit report signed by the Auditor-General for 2019/2020	All	1	1	1	1	G

Table 233- Service delivery indicators: Financial services

### 3.31.2 Employees: Financial services

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

Occupational Level	2019/20	2020/21			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
		Number			
Top Management	1	1	1	0	0.00
Senior Management	9	9	8	1	11.11
Middle Management	15	15	14	1	6.67

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Occupational Level	2019/20	2020/21			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
Number					
and Professionals					
Skilled Technical, Superintendents etc	3	3	3	0	0.00
Semi-skilled	96	96	92	4	4.17
Unskilled	5	5	3	2	40.00
<b>Total</b>	<b>129</b>	<b>129</b>	<b>121</b>	<b>8</b>	<b>6.20</b>

Table 234- Employees: Financial services

### 3.31.3 Capital expenditure: Financial services

The table below indicates the amount that was spent on financial services projects for the 2020/21 financial year:

Capital projects	2020/21				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value
(R)					
Fin Serv Admin : Furniture and Equipment	5 000	37 000	13 395	23 605	15 595
Fin Serv Admin : Computer Equipment	0	200 000	0	200 000	0
Fin Plan : Safeguarding of Assets	500 000	672 000	91 924	580 076	91 924
Fin Plan : Insurance claims	500 000	1 128 000	344 495	783 505	543 927
FS SCM - Upgrade of new municipal offices	0	3 332 929	3 237 402	95 527	2 989 137
<b>Total all</b>	<b>1 005 000</b>	<b>5 369 929</b>	<b>3 687 216</b>	<b>1 682 713</b>	<b>3 640 582</b>
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table 235- Capital expenditure 2020/21: Financial services

### 3.32 HUMAN RESOURCE SERVICES

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

All functionalities within Human Resources should be underpinned by ethical values which are supported by legislation, policies, rules and regulations. Ethical values are primarily focused on the human element as reflected by the behaviour

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

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of the stakeholders. Hence, it becomes essential that all stakeholders i.e. line management, employees and the Human Resources department operate in a collaborative and inclusive nature to ensure that the work environment is healthy and that a higher level of productivity is the resultant output of everyone's efforts and commitments.

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

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

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

- Annual review of the institutional structure (restructuring to ensure maximum efficiency, productivity and job satisfaction with resulting consequences being effective, efficient and economical service delivery);
- TASK grading and job evaluation (job descriptions with profiles, competencies and performance standards);
- Recruitment and selection (proper HR planning ensuring that the right people are appointed for the right jobs, competitiveness, scarcity allowances, succession planning and retention policy to retain staff);
- The implementation of employment equity targets to address the under representation of the designated groups across the various occupational levels within the demographic profile of BVM;
- Training and development of staff capacity (enhancing the current skills of employees, focusing on the development of employees from designated groups to ensure representivity, succession planning and coaching);
- Compiling standard operating procedures as guidelines for performance standards and identification of skills gaps;
- Compile critical HR policies, related procedures and control mechanisms (e.g. overtime management, succession planning, study bursaries for employees);
- Improved discipline management (provide advice and support to line management on how to manage staff, motivation of staff, addressing incapacity due to illness or poor performance);
- Sound and healthy industrial relations (promote and support effective working relationships with unions, maintain and invest in staff morale, address incapacity cases); and
- Health and safety (maintain a safe and healthy work environment, critical safety hazards addressed, maintain low levels of injury on duty, safety audit completed).

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

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.32.1 Service delivery indicators: Human resource services

The key performance indicators for HR are:

Ref	KPI Name	Unit of Measurement	Wards	2019/20		Overall Performance for 2020/21		
				Target	Actual	Target	Actual	R
TL6	Number of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan and organisational structure during the 2020/21 financial year	Number of people employed in the three highest levels of management	All	2	2	2	3	B
TL7	The percentage of the municipality's personnel budget spent on implementing its workplace skills plan by 30 June 2021	% of the budget spent	All	1%	0.74%	1.00%	0.90%	O
TL8	Limit vacancy rate to 15% of budgeted posts by 30 June 2021 [(Number of funded posts vacant divided by budgeted funded posts)x100)	% vacancy rate	All	15%	20.62%	15.00%	15.63%	R

Table 236- Service delivery indicators: Human resources

### 3.32.2 Employees: Human resource services

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

Occupational Level	2019/20	2020/21			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	1	1	1	0	0.00



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Occupational Level	2019/20	2020/21			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Senior Management	1	1	1	0	0.00
Middle Management and Professionals	1	1	1	0	0.00
Skilled Technical, Superintendents etc	6	6	5	1	16.67
Semi-skilled	8	8	7	1	12.50
Unskilled	0	0	0	0	0.00
<b>Total</b>	<b>17</b>	<b>17</b>	<b>15</b>	<b>2</b>	<b>11.76</b>

Table 237- Employees: Human resource services

### 3.33 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

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

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

During the 2020/21 financial year, we have implemented the following:

- Citizens Engagement Mobile App
- Wi-Fi to all BVM buildings

As part of the 5-year Strategic Plan, we intend to implement the following during 2020/21:

- Internet of Things (IoT) throughout the organisation
- Implement Call Center System and New PBX System
- Public Wi-Fi
- Replacement of production servers and storage

The table below gives a brief description of all the highlights for ICT during the 2020/21 financial year:

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Highlight	Description
Citizens Engagement Mobile App	"Citizen Engagement" is an integral solution (Mobile + Web) specifically designed for Cities and Towns that allows citizens to (amongst others) take pictures of problems detected in their area/street (e.g. lights that do not work, potholes, storm uprooted trees, over-filled garbage containers, etc.), and report it on the application which is directly linked to the municipal call center. This initiative seeks to expedite the complaint & response management process and ultimately enhance service delivery and response time
Wi-Fi to all BVM buildings	Wi-Fi connectivity was continuously rolled-out throughout all municipal buildings. The intention is to (amongst others) ensure stable and reliable wireless connectivity to all municipal devices across various municipal buildings and/or offices

Table 238- ICT highlights

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

Challenge	Corrective action
Staff capacity	Employ more staff
Finalisation of current job descriptions	HR must finalise job descriptions
Strategic positioning of the section	Position the ICT section as a strategic component of the Municipality
ICT budget allocation	Budget to be allocated as requested
Implementation of the ERP solution	Implement ERP as recommended in the case study done for BVM

Table 239- ICT challenges

### 3.33.1 Service statistics: ICT

Details	2019/20	2020/21
	Actual	Actual
	%	
Disaster recovery plan	100%	100%
Disaster recovery site project	100%	100%
Worcester/Touwsrivier communication link	100%	100%

Table 240- Service statistics: ICT

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.33.2 Employees: ICT

The table below indicates the number of employees for ICT:

Occupational Level	2019/20	2020/21			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	1	1	1	0	0.00
Senior Management	1	1	1	0	0.00
Middle Management and Professionals	2	2	2	0	0.00
Skilled Technical, Superintendents etc	4	4	3	1	25.00
Semi-skilled	1	1	1	0	0.00
Unskilled	0	0	0	0	0.00
<b>Total</b>	<b>9</b>	<b>9</b>	<b>8</b>	<b>1</b>	<b>11.11</b>

Table 241- Employees: ICT

### 3.33.3 Capital expenditure: ICT

The table below indicates the amount that was actually spent on information and communication technology services projects for the 2020/21 financial year:

Capital projects	2020/21				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value
(R)					
ICT - Computer Equipment	0	396 615	366 895	29 720	366 895
Wi-Fi Access Points	0	928 129	928 128	1	928 128
<b>Total all</b>	<b>0</b>	<b>1 324 744</b>	<b>1 295 023</b>	<b>29 721</b>	<b>1 295 023</b>
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table 242- Capital expenditure 2020/21: ICT

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.34 INTERNAL AUDIT AND ENTERPRISE RISK MANAGEMENT

The Municipality has an Internal Audit Unit and an Enterprise Risk Management Unit. Both resort under the Office of the Municipal Manager.

#### 3.34.1 Service delivery indicators: Internal Audit and Enterprise Risk Management

The key performance indicators for internal audit and enterprise risk management are:

Ref	KPI Name	Unit of Measurement	Wards	2019/20		Overall Performance for 2020/21		
				Target	Actual	Target	Actual	R
TL1	Compile a Risk Based Audit Plan and submit to the Audit Committee by 30 June 2021	RBAP submitted to the Audit Committee	All	1	1	1	1	G
TL2	Compile a strategic risk report and submit to Council by 31 May 2021	Strategic risk report submitted to Council	All	1	1	1	1	G

Table 243- Service delivery indicators: Internal Audit and Enterprise Risk Management

#### 3.34.2 Employees: Internal Audit and Enterprise Risk Management

The table below indicates the number of employees for internal audit and enterprise risk management:

Occupational Level	2019/20	2020/21			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	1	1	1	0	0.00
Senior Management	2	2	2	0	0.00
Middle Management and Professionals	1	1	0	1	100.00
Skilled Technical, Superintendents etc	5	5	4	1	20.00
Semi-skilled	2	2	2	0	0.00

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Occupational Level	2019/20	2020/21			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Unskilled	0	0	0	0	0.00
<b>Total</b>	<b>11</b>	<b>11</b>	<b>9</b>	<b>2</b>	<b>18.18</b>

Table 244- Employees: Internal Audit and Enterprise Risk Management

### 3.35 LEGAL SERVICES

Legal Services render an advisory and support function to Council and Administration which includes *inter alia* providing efficient general legal advice, drafting and vetting of by-laws, policies and contracts as well as the management of litigious matters. Ultimately, the aim is to protect the interests of the Breede Valley Municipality from a legal perspective.

In addition, Legal Services receive and administer municipal property applications (alienations, leases, encroachments etc.) on a continuous basis, which are attended to in accordance with governing legislation and Council policies. The aforementioned requires ongoing in-dept liaison and good relations with the relevant internal user departments in order to ensure alignment with the constitutional obligations of local government. For this purpose, an internal Municipal Properties Committee was established during the period under review which already proved to be of major benefit.

A challenge experienced was the worldwide outbreak of the Covid-19 pandemic. National restrictions imposed on the operations of courts resulted in the prolongment to institute legal proceedings and ultimately caused further delays in finalising pending litigious matters.

#### 3.35.1 Employees: Legal Services

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

Occupational Level	2019/20	2020/21			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	1	1	1	0	0.00
Senior Management	1	1	1	0	0.00
Middle Management and Professionals	1	1	1	0	0.00

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Occupational Level	2019/20	2020/21			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Skilled Technical, Superintendents etc	2	2	1	1	50.00
Semi-skilled	3	3	2	1	33.33
Unskilled	0	0	0	0	0.00
<b>Total</b>	<b>8</b>	<b>8</b>	<b>6</b>	<b>2</b>	<b>25.00</b>

Table 245- Employees: Legal Services

### 3.36 EMPLOYEES: OTHER SERVICES

#### 3.36.1 Employees: Technical Services: Administration

The table below indicates the number of employees for Technical Services: Administration:

Occupational Level	2019/20	2020/21			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	1	1	1	0	0.00
Senior Management	2	2	0	2	100.00
Middle Management and Professionals	2	2	0	2	100.00
Skilled Technical, Superintendents etc	1	1	1	0	0.00
Semi-skilled	1	1	1	0	0.00
Unskilled	0	0	0	0	0.00
<b>Total</b>	<b>7</b>	<b>7</b>	<b>3</b>	<b>4</b>	<b>57.14</b>

Table 246- Employees: Technical Services: Administration

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.36.2 Employees: Technical Services: Building maintenance services

The table below indicates the number of employees for Technical Services: Building maintenance services:

Occupational Level	2019/20	2020/21			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
		Number			
Top Management	1	1	0	0	0.00
Senior Management	0	0	0	0	0.00
Middle Management and Professionals	1	1	1	0	0.00
Skilled Technical, Superintendents etc	3	3	3	0	0.00
Semi-skilled	1	1	1	0	0.00
Unskilled	4	4	4	0	0.00
<b>Total</b>	<b>10</b>	<b>10</b>	<b>9</b>	<b>0</b>	<b>0.00</b>

Table 247- Employees: Technical Services: Building maintenance services

### 3.36.3 Employees: Mechanical workshop

The table below indicates the number of employees for the mechanical workshop:

Occupational Level	2019/20	2020/21			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
		Number			
Top Management	1	1	1	0	0.00
Senior Management	0	0	0	0	0.00
Middle Management and Professionals	1	1	1	0	0.00

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Occupational Level	2019/20	2020/21			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Skilled Technical, Superintendents etc	3	3	3	0	0.00
Semi-skilled	4	4	1	3	75.00
Unskilled	1	1	0	1	100.00
<b>Total</b>	<b>10</b>	<b>10</b>	<b>6</b>	<b>4</b>	<b>40.00</b>

Table 248- Employees: Mechanical workshop

### 3.36.4 Employees: Administration and property management

The table below indicates the number of employees for administration and property management:

Occupational Level	2019/20	2020/21			
		Budgeted Posts	Employees	Vacancies	Vacancies (as a % of total Budgeted Posts)
	Number				
Top Management	1	1	1	0	0.00
Senior Management	1	1	1	0	0.00
Middle Management and Professionals	0	0	0	0	0.00
Skilled Technical, Superintendents etc	2	2	2	0	0.00
Semi-skilled	11	11	11	0	0.00
Unskilled	4	4	4	0	0.00
<b>Total</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>0</b>	<b>0.00</b>

Table 249- Employees: Administration and property management



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.37 CAPITAL EXPENDITURE: OTHER SERVICES

#### 3.37.1 Capital expenditure: Community Services: Other

Capital projects	2020/21				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value
(R)					
Com Serv Admin: Furniture & Equipment	5 000	1 735	0	1 735	0
Youth Café	600 000	600 000	253 727	346 273	245 208
<b>Total all</b>	<b>605 000</b>	<b>601 735</b>	<b>253 727</b>	<b>348 008</b>	<b>245 208</b>
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table 250- Capital expenditure 2020/21: Community services: Other

#### 3.37.2 Capital expenditure: Strategic Support: Other

Capital projects	2020/21				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value
(R)					
SSS : Furniture and Equipment	5 000	3 273	3 272	1	3 272
Civic Centre : Solar pannel - conversion	100 000	45 000	0	45 000	0
Town Hall Roof	0	100 000	0	100 000	0
<b>Total all</b>	<b>105 000</b>	<b>148 273</b>	<b>3 272</b>	<b>145 001</b>	<b>3 272</b>
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table 251- Capital expenditure 2020/21: Strategic support: Other

#### 3.37.3 Capital expenditure: Fleet management

Capital projects	2020/21				
	Budget	Adjustment budget	Actual expenditure	Variance from adjustment budget	Total project value
(R)					
Log & Workshop : Machinery and Equipment	0	100 000	99 978	22	100 000
<b>Total all</b>	<b>0</b>	<b>100 000</b>	<b>99 978</b>	<b>22</b>	<b>100 000</b>
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table 252- Capital expenditure 2020/21: Fleet management

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### COMPONENT I: ORGANISATIONAL PERFORMANCE SCORECARD

#### 3.38 DEVELOPMENT AND SERVICE DELIVERY PRIORITIES FOR 2021/22

The main development and service delivery priorities for 2021/22 forms part of the Municipality's Top Layer SDBIP for 2021/22 and are indicated in the tables below:

#### 3.38.1 Assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practices

Ref	KPI Name	Unit of Measurement	Wards	Annual Target
TL26	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2022 (Short Term Borrowing + Long Term Borrowing) / (Total Operating Revenue - Operating Conditional Grant) x 100	% of debt coverage	All	45.00%
TL27	Financial viability measured in terms of the outstanding service debtors as at 30 June 2022 ((Total outstanding service debtors/ revenue received for services)X100)	% of outstanding service debtors	All	16.50%
TL28	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2022 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excl	Number of months it takes to cover fix operating expenditure with available cash	All	1.5
TL31	Submit the approved financial statements for 2020/21 to the Auditor-General by 31 August 2021	Approved financial statements for 2020/21 submitted to the AG	All	1
TL32	Achieve a payment percentage of above 95% as at 30 June 2022 (Gross Debtors Opening Balance + Billed Revenue -Gross Debtors Closing Balance - Bad Debts	% Payment achieved	All	95.00%

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI Name	Unit of Measurement	Wards	Annual Target
	Written Off) / Billed Revenue) x 100			
TL33	Review the MGRO Clean Audit Plan and submit to the Municipal Manager by 30 January 2022	Letter signed off by the Municipal Manager that MGRO Clean Audit Plan was reviewed and submitted	All	1
TL34	Achieve an unqualified audit for the 2020/21 financial year by 31 January 2022	Audit report signed by the Auditor-General for 2020/21	All	1
TL35	Review the Long Term Financial Plan and submit to Council for approval by 31 May 2022 (Final)	Final reviewed Long Term Financial Plan submitted to Council for approval	All	1
TL38	The percentage of the municipal capital budget spent on projects as at 30 June 2022 (Actual amount spent on capital projects/Total amount budgeted for capital projects)X100	% of the municipal capital budget spent	All	90.00%

Table 253- Service delivery priorities for 2021/22: Assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practices

### 3.38.2 Ensure a healthy and productive workforce and an effective and efficient work environment

Ref	KPI Name	Unit of Measurement	Wards	Annual Target
TL44	Number of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan and organisational structure during the 2021/22 financial year	Number of people employed in the three highest levels of management	All	2
TL45	The percentage of the municipality's personnel budget spent on implementing its workplace skills plan by 30 June 2022	% of the budget spent	All	1.00%
TL46	Limit vacancy rate to 15% of budgeted posts by 30 June 2022 [(Number of funded posts	% vacancy rate	All	15.00%

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI Name	Unit of Measurement	Wards	Annual Target
	vacant divided by budgeted funded posts)x100)			
TL50	Obtain approval in writing no later than 30 June from Provincial Archives in terms of Archives legislation and regulations for the annual disposal of official documents	Approval obtained in writing by 30 June from Provincial Archives	All	1
TL51	Review the staff establishment and submit to Council for approval by 30 June 2022	Staff establishment reviewed and submitted to Council	All	1

Table 254- Service delivery priorities for 2021/22: Ensure a healthy and productive workforce and an effective and efficient work environment

### 3.38.3 To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism

Ref	KPI Name	Unit of Measurement	Wards	Annual Target
TL43	The number of FTE's created through the EPWP programme by 30 June 2022	Number of FTE's created through the EPWP programme	All	325
TL47	Sign service level agreements (SLA's) with 4 Local Tourism Associations (LTA's) for their annual tourism operational expenditure by 30 September 2021	Number of SLA's signed by 30 September 2021	All	4
TL48	Review the Local Economic Development Strategy and submit to Council for approval by 31 May 2022 (Final)	Final reviewed LED Strategy submitted to Council for approval	All	1

Table 255- Service delivery priorities for 2021/22: To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

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

Ref	KPI Name	Unit of Measurement	Wards	Annual Target
TL1	Plan & conduct 24 roadblocks by 30 June 2022	Number of roadblocks conducted	All	24
TL2	Review the Disaster Management Plan and submit to Council by 31 May 2022 (Final)	Final reviewed Disaster Management Plan submitted to Council	All	1
TL3	Review the Municipal Rental Unit Maintenance Plan and submit to Council by 31 May 2022 (Final)	Final reviewed Municipal Rental Unit Maintenance Plan submitted to Council	All	1
TL4	Compile a Municipal Court Strategic Plan and submit to Council for approval by 31 December 2021	Municipal Court Strategic Plan compiled and submitted to Council for approval	All	1
TL5	Review the Safety Plan and submit to Council for approval by 31 May 2022 (Final)	Final reviewed Safety Plan submitted to Council	All	1
TL9	Conduct 100 planned inspections in accordance with the Fire Protection Regulations and Fire Safety Bylaw during the 2021/22 financial year	Number of planned inspections conducted	All	100
TL16	Achieve 90% of capital budget spent towards the construction of speedhumps in the municipal area by 30 June 2022 {(total actual capital project expenditure/total capital project budget) x 100}	% of capital budget spent	All	90.00%
TL40	Review the 4th Generation Integrated Waste Management Plan and submit it to Council for approval by 31 May 2022 (Final)	Final reviewed 4th Generation IWMP submitted to Council for approval	All	1

Table 256- Service delivery priorities for 2021/22: To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.38.5 To provide and maintain basic services and ensure social upliftment of the Breede Valley community

Ref	KPI Name	Unit of Measurement	Wards	Annual Target
TL6	Review the Sport Master Plan and submit to Council for approval by 31 May 2022 (Final)	Final reviewed Sport Master Plan submitted to Council for approval	All	1
TL7	Review of the Community Development Plans and submit to Council for approval by 31 December 2021	Community Development Plans reviewed and submitted to Council for approval	All	1
TL8	Implement 4 community development programs at each youth centre by 30 June 2022	Number of community development programs implemented	All	8
TL10	Spend 95% of the Library Grant in accordance with the transfer payment agreement by 30 June 2022	% of grant funding spent	All	95.00%
TL11	Review the Municipal Housing Strategy and submit to Council by 31 May 2021 (Final)	Final reviewed Municipal Housing Strategy submitted to Council for approval	All	100
TL12	Spend 90% of the electricity capital budget by 30 June 2022 {(total actual capital project expenditure/total capital project budget) x 100}	% of the electricity capital project budget spent	All	90.00%
TL13	Spend 90% of the electricity maintenance budget by 30 June 2022 {(total actual maintenance expenditure/total maintenance budget) x 100}	% of the electricity maintenance budget spent	All	90.00%
TL14	Achieve 90% of capital budget spent on the resurfacing of roads by 30 June 2022 {(total actual capital project expenditure/total capital project budget) x 100}	% of capital budget spent	All	90.00%
TL15	Complete the construction of the Zwelethemba municipal swimming pool by 31 December 2021	Construction completed	8; 16; 17; 18	1

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI Name	Unit of Measurement	Wards	Annual Target
TL17	Achieve 90% of capital budget spent on the upgrading of gravel roads by 30 June 2022 {(total actual capital project expenditure/total capital project budget) x 100}	% of capital budget spent	8; 12; 21	<b>90.00%</b>
TL18	Number of formal residential properties that are billed for water as at 30 June 2022	Number of residential properties that are billed for residential consumption water meters charged residential domestic tariffs or residential flat rate tariffs using an erf as a household except municipal rental flats which will be measured by using the number of rental units.	All	<b>21 260</b>
TL19	Number of residential properties which are billed for electricity or have pre-paid meters (excluding Eskom Electricity supplied properties) as at 30 June 2022	Number of residential properties that are billed for electricity or have pre-paid meters, charged on the residential tariffs for consumption and residential prepaid tariffs	All	<b>22 580</b>
TL20	Number of formal residential properties that are billed for sanitation/sewerage services as at 30 June 2022	Number of residential properties that are billed for residential sewerage tariffs using the erf as property	All	<b>18 650</b>
TL21	Number of formal residential properties that are billed for refuse removal as at 30 June 2022	Number of residential properties that are billed for refuse removal residential tariffs using the erf as a property	All	<b>18 900</b>
TL22	Provide free basic water to indigent households earning less than R4500 as at 30 June 2022	Number of indigent households receiving free basic water	All	<b>9 200</b>
TL23	Provide free basic electricity to indigent households earning less than R4500 as at 30 June 2022	Number of indigent households receiving free basic electricity	All	<b>9 200</b>
TL24	Provide free basic sanitation to indigent households earning less than R4500 as at 30 June 2022	Number of indigent households receiving free basic sanitation	All	<b>9 200</b>

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Ref	KPI Name	Unit of Measurement	Wards	Annual Target
TL25	Provide free basic refuse removal to indigent households earning less than R4500 as at 30 June 2022	Number of indigent households receiving free basic refuse removal	All	9 200
TL29	Limit unaccounted electricity losses to less than 10% by 30 June 2022 {(Number of Electricity Units Purchased - Number of Electricity Units Sold) / (Number of Electricity Units Purchased) x100}	% unaccounted for electricity	All	10.00%
TL30	Limit unaccounted water losses to less than 20% by 30 June 2022 {(Number of kilolitres water available from reservoirs - number of kilolitres water sold) / (number of kilolitres water purchased or purified) x 100}	% unaccounted for water	All	20.00%
TL39	Achieve 95% average water quality level as measured per SANS 241 criteria during the 2021/22 financial year	% water quality level per quarter	All	95.00%
TL41	Review the 5 year Water Service Development Plan (WSDP) and submit to Council for approval by 31 May 2022 (Final)	Final reviewed WSDP submitted to Council for approval	All	1
TL42	80% of sewerage samples comply with effluent standard during the 2021/22 financial year {(Number of sewerage samples that comply with General Authorisation/Number of sewerage samples tested)x100}	% of sewerage samples compliant	All	80.00%

Table 257- Service delivery priorities for 2021/22: To provide and maintain basic services and ensure social upliftment of the Breede Valley community



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

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

Ref	KPI Name	Unit of Measurement	Wards	Annual Target
TL36	Compile a Risk Based Audit Plan and submit to the Audit Committee by 30 June 2022	RBAP submitted to the Audit Committee	All	1
TL37	Compile a strategic risk report and submit to Council by 30 June 2022	Strategic risk report submitted to Council	All	1
TL49	Review the Communication Strategy and submit to Council for approval by 31 May 2022 (Final)	Final reviewed Communication Strategy submitted to Council for approval	All	1
TL52	Compile the 5th generation Draft IDP and submit to Council for consideration by 31 March 2022	Draft IDP compiled and submitted to Council for consideration	All	1

Table 258- Service delivery priorities for 2021/22: Provide democratic, accountable government for local communities and encourage involvement of communities and community organizations in the matters of local government



# Chapter 4

## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

The following table indicates the Municipality's performance in terms of the national key performance indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the MSA. These key performance indicators are linked to the national key performance area – municipal transformation and organisational development.

KPA and Indicators	Municipal achievement	Municipal achievement
	2019/20	2020/21
The number of people from <b>employment equity</b> target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	<b>2</b>	<b>3</b>
The percentage of a municipality's training budget actually spent on implementing its workplace skills plan	<b>0.74%</b>	<b>0.90%</b>

*Table 259- National KPIs: Municipal Transformation and Organisational Development*

### a) **Highlights: Municipal Transformation and Organisational Development**

Highlight	Description
HR Administration: HR File Plan development	The HR File plan has been developed to ensure compliance document management and business continuity as well as preparation for POPI implementation
HR Organisational Development: TASK job descriptions project	The TASK job description project was finalised with at least 97% finalised at the end of 30 June 2021. The only job descriptions outstanding relates to posts which requires restructuring i.t.o. current procedures approved by council on the 26th of January 2021, when the new organigramme had been approved. The organisational structure has been numbered and post categorisation completed in preparation of revision. Collation of all TASK evaluated job descriptions will serve as a basis for revision and preparation of performance management escalation of staff beyond senior management level
HR Skills Development: Municipal Staff completed tertiary studies through intervention by BVM top management.	Municipality promotes capacitation and development of staff. Staff had completed their final year of studies, thus graduating in various fields in human resources, public administration, and finance. Several other students have also started studies and have qualified for bursaries from BVM
HR Occupational Health and Safety: Decline in occupational health and safety cases	The decline can be ascribed to the implementation of monitoring by Occupational Health and Safety Officer
HR Occupational Health and Safety: Implementation of COVID regulations	Due to the effective intervention and implementation of COVID protocols, BVM accounted for 0.3% of all COVID cases among the 30 reporting municipalities

*Table 260- Highlights: Municipal Transformation and Organisational Development*

## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

### b) Challenges: Municipal Transformation and Organisational Development

Challenge	Actions to address
HR Administration: Financial constraints due to COVID	The financial constraints experienced in HR has major impact on performance. Staff are not able to procure the necessary technical equipment to implement training, recruitment and selection and skills development training.
HR Labour Relations: Discipline within the organisation	Continuous initiation of disciplinary processes

Table 261- Challenges: Municipal Transformation and Organisational Development

### 4.1 INTRODUCTION TO THE MUNICIPAL WORKFORCE

The Municipality employs **858** permanent staff members as at 30 June 2021, comprising of section 57 managers and permanent officials and contracted staff, who individually and collectively contribute to the achievement of the municipality's objectives. The primary objective of human resource management is to render an innovative HR service that addresses both skills development and an administrative function. At the end of 30 June 2021, the new approved position of Director : Public Services had not been filled, due to various reasons.

#### 4.1.1 Employment equity

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

#### a) Employment Equity Targets/Actual

The Employment Equity Plan for the 2020-2021 period was submitted to the Local Labour Forum for consultation. Furthermore, the EEA2 and EEA4 reports were submitted to the Department of Labour on 15 January 2021

#### b) Employment Equity vs. Population

Description	Black African	Coloured	Indian or Asian	White	Total
Population numbers	39 555	113 425	474	23 125	176 579
% population	<b>22.4</b>	<b>64.2</b>	<b>0.3</b>	<b>13.1</b>	<b>100</b>

Source: Stats SA – 2016 Community Survey

Table 262- EE population 2020/21

## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

### c) Occupational Levels - Race

The table below categorise the number of employees by race within the occupational levels:

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management	0	4	0	1	0	0	0	0	5
Senior management	5	15	0	5	0	3	0	5	33
Professionally qualified and experienced specialists and mid-management	7	19	0	15	12	20	0	4	77
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	6	52	0	10	8	17	0	3	96
Semi-skilled and discretionary decision making	51	149	2	8	52	108	0	15	385
Unskilled and defined decision making	66	103	0	2	37	53	0	1	262
<b>Grand total</b>	<b>135</b>	<b>342</b>	<b>2</b>	<b>41</b>	<b>109</b>	<b>201</b>	<b>0</b>	<b>28</b>	<b>858</b>

Table 263- Occupational levels

### 4.1.2 Vacancy rate

The approved organogram (2021) for the Municipality has 1017 budgeted posts for the 2020/21 financial year. The actual positions filled (858) are indicated in the tables below by occupational level and by functional level. The number of vacant positions at the end of 2020/21 was 159.

The current vacancy rate is slightly above 15% due to the impact of staff turnover linked to appointments and terminations throughout the financial year. Critical vacancies were prioritised and filled during 2020/21.

Per occupational level		
Post level	Filled	Vacant
Top management	5	1
Senior management	33	5
Professionally qualified and experienced specialists and mid-management	77	12
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	96	34
Semi-skilled and discretionary decision making	385	38

## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

Per occupational level		
Post level	Filled	Vacant
Unskilled and defined decision making	263	69
<b>Total</b>	<b>858</b>	<b>159</b>
Per functional level		
Functional area	Filled	Vacant
Municipal Manager	10	2
Strategic Support Services	66	5
Financial Services	129	11
Community Services	254	17
Engineering Services	56	19
Public Services	343	105
<b>Total</b>	<b>858</b>	<b>159</b>

Table 264- Vacancy rate per post (salary) and functional level (June 2020)

The table below indicates the number of staff per senior level expressed as total positions and current vacancies as full-time staff equivalents:

Salary level	Number of current critical vacancies	Number total posts as per organogram	Vacancies (as a proportion of total posts per category)
Municipal Manager	0	1	0
Chief Financial Officer	0	1	0
Other Section 57	1	4	25%
Senior Management	5	38	13.16%
<b>Total</b>	<b>6</b>	<b>44</b>	<b>13.64%</b>

Table 265- Vacancy rate per senior salary level

### 4.1.3 Staff turnover rate

A high staff turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organisational knowledge. Below is a table that reflect the staff turnover rate within the Municipality. The staff turnover rate indicates an increase from 4.83% in 2019/20 to 6.64% in 2020/21.

## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

The table below indicates the staff turnover rate over the last three years:

Financial year	Total number of employees	New appointments	Terminations (excl. internal movements) during the year	Staff turnover rate
2018/19	896	51	74	8.26%
2019/20	870	52	42	4.83%
2020/21	858	47	57	6.64%

Table 266- Staff turnover rate as at 30 June 2021

The table below shows a breakdown of the different categories of terminations:

Month	Appointments	Internal movements	Total	Retirements	Dismissals	Resignations	Disability	Death	Internal movements	Total
July 2020	0	0	0	0	0	1	0	1	0	2
August 2020	0	0	0	1	1	1	0	1	0	4
September 2020	0	0	0	3	1	0	0	0	0	4
October 2020	0	1	1	1	0	3	0	0	1	5
November 2020	1	0	1	1	2	1	0	1	1	6
December 2020	1	4	5	1	1	0	0	0	0	2
January 2021	2	1	3	2	0	1	0	4	0	7
February 2021	3	8	11	1	0	0	0	1	0	2
March 2021	0	0	0	3	1	3	0	1	0	8
April 2021	6	2	8	3	1	3	0	1	0	8
May 2021	10	3	13	2	3	0	0	1	0	6
June 2021	1	4	5	2	0	2	1	0	1	6
<b>Total</b>	<b>24</b>	<b>23</b>	<b>47</b>	<b>20</b>	<b>10</b>	<b>15</b>	<b>1</b>	<b>11</b>	<b>3</b>	<b>60</b>

Table 267- Termination categories

### 4.2 MANAGING THE MUNICIPAL WORKFORCE

Managing the municipal workforce refers to analysing and coordinating employee behaviour.

#### 4.2.1 Injuries

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to the seriousness of the injury/disease and can be costly

## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

to a municipality. Occupational injury may result in a loss of man hours and therefore adversely impact financial and productivity performance.

A total of 45 injuries were reported during the period under review, consistent with the number (i.e. 45) reported in the 2019/20 financial year.

Incidents are investigated to determine whether there was any negligence involved to ensure that it is an actual injury on duty.

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

Directorates	2019/20	2020/21
Municipal Manager	0	0
Strategic Support Services	3	1
Financial Services	5	1
Community Services	9	7
Public and Engineering Services	28	36 (Technical Services directorate was split from February 2021)
<b>Total</b>	<b>45</b>	<b>45</b>

Table 268- Injuries

Injuries in Engineering and Public Services increased due to (amongst others) a limited number of monthly safety meetings held in the 2020/21 financial period (exacerbated by Covid-19 regulations). Lack of safety meetings and trainings may result in staff being unaware and ill-informed of fundamental occupational health & safety practices that must be adhered to during the execution of operational duties.

### 4.2.2 Sick leave

The number of days sick leave taken by employees has adverse service delivery and cost implications. Regular monitoring of sick leave enables the user departments and HR to proactively identify certain patterns or trends. Once these patterns are identified, corrective action can be taken.

The table below indicates that the total number of sick leave days taken has drastically increased during the 2020/21 financial year when compared with the 2019/20 financial year:

Department	2019/20	2020/21
Municipal Manager	40.5	40.5
Strategic Support Services	318.5	1220
Financial Services	488.0	525.5
Community Services	1 491.5	2 895.5
Public Services	2 921.0	1 878.5



## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

Department	2019/20	2020/21
Engineering Services	(consolidated as Technical Services in the prior reporting period)	2 784
<b>Total</b>	<b>5 259.5</b>	<b>9 344</b>

Table 269- Sick leave

Any evidence which would give an indication of the possible abuse of sick leave should be regarded as very serious by line management. It is imperative for line management to investigate and seek advice from Human Resources with regards to the manner in which it should be dealt with.

The typical indicators of possible abuse of sick leave are as follows, even though each case should be treated on its own merits:

- Sick leave on almost every pay-day or the Monday after pay-day
- Sick leave before or after annual leave
- Sick leave during school holidays
- Regular single day sick leave, especially on a Friday or Monday
- Regular sick leave (day or two days) during each month and/or sick leave before or after a public holiday
- Covid-19
- Delay in disability claims

The sick leave pattern of employees has an impact on service delivery backlogs and the costs associated with sick leave delay production at work. During periods of sick leave, it creates additional stress on other employees who have to perform at a higher level of productivity in order to ensure minimal losses on service delivery. The additional resulting impact of excessive sick leave patterns are that staff will have to work overtime and/or will be required to act on behalf of the absent employee. This could result in excessive financial expenditure.

It is critical that proper consultation with the staff member concerned is held to ensure that conclusions are not drawn without ensuring that all the facts are considered. It is important that staff are made aware of the standard of conduct required of them with regards to attending work regularly and discussing your concerns regarding the sick leave pattern with the employee.

The leave section within the Human Resources Department ensures that line management receives a monthly printout of the employees who, in terms of their records are possible sick leave abusers, for further investigation.

Counselling sessions are conducted with employees, recorded and the necessary documentation placed on the personnel files.

### 4.2.3 HR policies and plans

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

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

## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

Approved policies	
Name of policy	Date approved/revised
Acting Policy	October 2019
Attendance and Punctuality Policy	October 2019
Employee under the influence of intoxicating substances Policy	June 2018
Employment Equity Policy	June 2015
HIV and AIDS Policy	June 2015
Incapacity due to ill health/injury Policy	June 2015
Incapacity due to poor work performance Policy	June 2015
Legal Aid Policy	June 2015
Membership and Registration of Dependants on Accreditation Medical Schemes Policy	October 2019
Occupational Health and Safety policy	October 2019
Overtime Policy	October 2019
Personal Protective Equipment Policy	October 2019
Private Work and Declaration of Interests Policy	October 2019
Recruitment and selection policy	October 2019
Relocation Policy	July 2018
Sexual Harassment Policy	July 2018
Smoking Policy	June 2018
Standby allowance Policy	June 2019
Study Aid for employees and study leave Policy	June 2018
Succession Planning Policy	June 2015
TASK Job Evaluations Policy	May 2021
Telecommunications Policy	October 2019
Training and Development Policy	July 2018
Transport Policy	June 2015

*Table 270- Approved HR policies*

Policies Developed	
Name of policy	2020/21 Financial Year
Revised Transport Allowance Policy	Currently still under review. Policies were drafted, but due to COVID measures the required workshops could not be finalised, before submission to council.
Annual Closing of Municipal Offices Policy	
Employee Assistance Programme	
Employment Imprisonment Policy	
Individual Performance Management Policy	
Nepotism Policy	

## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

Policies Developed	
Name of policy	2020/21 Financial Year
Official Vehicles and Fleet Management Policy	
Rewards and Incentives Policy	

Table 271- HR policies developed

### 4.3 CAPACITATING THE MUNICIPAL WORKFORCE

Section 68(1) of the MSA states that a municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose, the human resource capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

#### 4.3.1 Skills matrix

The table below indicates the number of employees that received training in the year under review:

Management level	Gender	Number of employees identified for training at start of the year	Number of employees that received training
MM and S56 and Senior management	Female	4	3
	Male	16	10
Professionals	Female	9	2
	Male	21	12
Technicians and Trade workers	Female	33	23
	Male	87	58
Clerks	Female	70	45
	Male	35	19
Service and sales workers	Female	8	7
	Male	55	24
Plant and machine operators and assemblers	Female	2	2
	Male	62	41
Elementary occupations	Female	34	15
	Male	71	47
<b>Sub total</b>	<b>Female</b>	<b>160</b>	<b>97</b>
	<b>Male</b>	<b>347</b>	<b>211</b>
<b>Total</b>		<b>507</b>	<b>308</b>

Table 272- Skills matrix

## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

The supply chain process is lengthy and it is difficult to get accredited training providers in the different training needs that were prioritised in the Skills Development Plan for the 2020/21 financial year.

The following training was implemented:

Type of training	Details
EC Drivers	Code 14 drivers training
NQF 2 – Water and Wastewater treatment Learnership	Training for employees in Water related sections as, well as swimming pools
NQF 3 – Water and Wastewater treatment- Learnership	Training for employees working at Waste and Water plants
NQF 4 – Water and Wastewater treatment- Learnership	Training for employees working at Waste and Water plants
SANS 1104 regulations	Training for Building Inspectors and employees dealing with Building plans
Supervisor Training	All supervisors trained in supervisory functions and responsibility
OHS Representatives	Health and Safety Representatives trained to ensure that a safe working environment is upheld
Chipper training	Training on the correct and safe working conditions on the chipper machine
BComm Degree	Employees received bursaries to complete their qualification (Project Driven)
BAdmin Degree	Employees received bursaries to complete their qualification (Project Driven)
Internal Bursaries	Employees receive an opportunity to study towards a Municipal related qualification
VMWare	IT training
Network +	IT Training
Managing Risk on Construction and Engineering projects	Training on the Risks involved in Construction and Engineering Projects

Table 273- Details of training implemented

### 4.3.2 Skills development: Training provided

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

## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

Occupational categories	Gender	Number of employees as at the beginning of the financial year	Training provided within the reporting period						
			Learnerships		Skills programmes and other short courses		Total		
			Actual	Target	Actual	Target	Actual	Target	% Variance
MM and Senior Managers	Female	7			3	4	3	4	75%
	Male	29			10	16	10	16	63%
Professionals	Female	29			2	9	2	9	22%
	Male	53			12	21	12	21	57%
Technicians and Trade workers	Female	19	12	15	11	18	23	33	70%
	Male	80	25	42	33	45	58	87	67%
Clerks	Female	121			45	70	45	70	64%
	Male	56			19	35	19	35	54%
Service and sales workers	Female	29	1	2	6	6	7	8	88%
	Male	109	4	10	20	45	24	55	44%
Plant and machine operators and assemblers	Female	21			2	2	2	2	100%
	Male	63	12	27	29	35	41	62	66%
Elementary occupations	Female	80	4	12	11	22	15	34	44%
	Male	174	12	20	35	51	47	71	66%
<b>Sub total</b>	<b>Female</b>	<b>306</b>	<b>17</b>	<b>29</b>	<b>80</b>	<b>131</b>	<b>97</b>	<b>160</b>	<b>61%</b>
	<b>Male</b>	<b>564</b>	<b>53</b>	<b>99</b>	<b>158</b>	<b>248</b>	<b>211</b>	<b>347</b>	<b>61%</b>
<b>Total</b>		<b>870</b>	<b>70</b>	<b>128</b>	<b>238</b>	<b>379</b>	<b>308</b>	<b>507</b>	<b>61%</b>

Table 274- Skills development

### 4.3.3 Skills development: Budget allocation

The table below indicates that a total amount of **R3 592 340** was allocated to the Workplace Skills Plan and that 85.16% of the total amount was spent in the 2020/21 financial year:

Total personnel budget R	Total allocated R	Total spent R	% Spent
341 198 821	3 592 340	3 059 230.57	85.16

Table 275- Budget allocated and spent for skills development

## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

### 4.4 MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

Section 66 of the MSA states that the accounting officer of a municipality must report to the council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits. This is in line with the requirements of the Public Service Regulations (2002), as well as National Treasury Budget and Reporting Schedules SA22 and SA23.

#### 4.4.1 Personnel expenditure

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past two financial years and that the Municipality is well beneath the national norm of between 35 to 40%:

Financial year	Total expenditure salary and allowances	Total operating expenditure	Percentage
	R'000		%
2019/20	315 671	1 011 192	<b>31.2</b>
2020/21	338 121	1 071 277	<b>31.6</b>

Table 276- Personnel expenditure

Below is a summary of councillor and staff benefits for the year under review:

Financial year	2019/20	2020/21		
	Actual	Original budget	Adjusted budget	Actual
Description	R'000			
<b>Councillors (Political office bearers plus other)</b>				
Salary	14 006	14 259	15 012	14 080
Pension contributions	1 563	1 602	1 601	1 532
Medical aid contributions	299	305	311	311
Motor vehicle allowance	731	794	728	679
Cell phone allowance	1 667	1 673	1 673	1 672
Housing allowance	0	0	0	0
Other benefits or allowances	147	148	148	147
In-kind benefits	0	0	0	0
<b>Subtotal - Councillors</b>	<b>18 413</b>	<b>18 780</b>	<b>19 473</b>	<b>18 421</b>
<b>% increase/(decrease)</b>		<b>2.0</b>	<b>5.8</b>	<b>0.0</b>
<b>Senior Managers</b>				
Salary	6 920	6 845	8 901	7 061
Pension contributions	553	674	849	591
Medical aid contributions	86	92	92	92

## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

Financial year	2019/20	2020/21		
Description	Actual	Original budget	Adjusted budget	Actual
R'000				
Motor vehicle allowance	894	999	1 234	899
Cell phone allowance	225	204	245	239
Housing allowance	0	0	0	0
Performance bonus	0	0	0	0
Other benefits or allowances	36	78	243	51
In-kind benefits	0	0	0	0
<b>Subtotal - Senior managers</b>	<b>8 714</b>	<b>8 891</b>	<b>11 565</b>	<b>8 932</b>
<b>% increase/(decrease)</b>		<b>2.0</b>	<b>32.7</b>	<b>2.5</b>
<b>Other municipal staff</b>				
Basic salaries and wages	174 387	193 872	190 706	188 754
Pension contributions	33 034	36 423	36 674	35 715
Medical aid contributions	18 588	21 753	21 818	20 014
Motor vehicle allowance	8 193	8 609	9 023	8 345
Cell phone allowance	1 495	1 302	1 331	1 660
Housing allowance	2 044	2 893	3 093	2 214
Overtime	20 119	16 160	14 662	21 184
Other benefits or allowances	24 470	20 758	26 099	26 409
Post-retirement benefit obligations	6 213	6 756	6 756	6 474
<b>Subtotal - Other municipal staff</b>	<b>288 545</b>	<b>308 526</b>	<b>310 161</b>	<b>310 768</b>
<b>% increase/ (decrease)</b>		<b>6.9</b>	<b>7.5</b>	<b>7.7</b>
<b>Total Municipality</b>	<b>315 671</b>	<b>336 197</b>	<b>341 199</b>	<b>338 121</b>
<b>% increase/(decrease)</b>		<b>6.5</b>	<b>8.1</b>	<b>7.1</b>

Table 277- Personnel expenditure



# Chapter 5



## CHAPTER 5: FINANCIAL PERFORMANCE

### COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

The statement of financial performance provides an overview of the financial performance and focuses on the financial health of the Municipality.

#### 5.1 FINANCIAL SUMMARY

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

Description	2019/20	2020/21		2020/21 Variance		
	Actual (Audited outcome)	Original budget	Adjusted budget	Actual	Original budget	Adjustment s budget
	R'000				%	
<b>Financial performance</b>						
Property rates	145 107	146 998	146 998	155 977	6.11	6.11
Service charges	622 044	646 947	644 447	644 056	-0.45	-0.06
Investment revenue	12 001	3 112	6 000	9 718	212.30	61.96
Transfers recognised (operational)	141 850	208 112	171 213	168 007	-19.27	-1.87
Other own revenue	91 210	150 326	153 721	93 091	-38.07	-39.44
<b>Total revenue (excluding capital transfers and contributions)</b>	<b>1 012 212</b>	<b>1 155 495</b>	<b>1 122 380</b>	<b>1 070 848</b>	<b>-7.33</b>	<b>-4.59</b>
Employee costs	297 258	317 416	321 726	319 700	0.72	-0.63
Remuneration of councillors	18 413	18 780	19 473	18 421	-1.91	-5.40
Depreciation and asset impairment	87 496	95 246	89 246	88 561	-7.02	-0.77
Finance charges	23 643	23 653	23 653	22 351	-5.51	-5.51
Materials and bulk purchases	345 745	346 130	368 058	363 591	5.04	-1.21
Transfers and grants	6 938	65 605	8 182	4 452	-93.21	-45.58
Other expenditure	231 699	208 045	264 696	254 371	22.27	-3.90
<b>Total expenditure</b>	<b>1 011 192</b>	<b>1 074 875</b>	<b>1 095 035</b>	<b>1 071 447</b>	<b>-0.32</b>	<b>-2.15</b>
<b>Surplus/(Deficit)</b>	<b>1 020</b>	<b>80 619</b>	<b>27 345</b>	<b>-598</b>	<b>-100.74</b>	<b>-102.19</b>
Transfers recognised (capital)	146 877	82 337	53 468	52 583	-36.14	-1.66
Contributions recognised capital and contributed assets	185	1 147	1 597	800	-30.31	-49.94
<b>Surplus/(Deficit) after capital transfers and contributions</b>	<b>148 082</b>	<b>164 104</b>	<b>82 410</b>	<b>52 784</b>	<b>-67.83</b>	<b>-35.95</b>
<b>Capital expenditure and funds sources</b>						
<b>Capital expenditure</b>						
Transfers recognised (capital)	147 062	83 484	55 065	53 383	-36.06	-3.06
Public contributions and donations	0	0	0	0	0.00	0.00
Borrowing	159	0	0	0	0.00	0.00

## CHAPTER 5: FINANCIAL PERFORMANCE

Description	2019/20	2020/21		2020/21 Variance		
	Actual (Audited outcome)	Original budget	Adjusted budget	Actual	Original budget	Adjustment s budget
	R'000				%	
Internally generated funds	48 260	16 429	80 153	71 205	333.40	-11.16
<b>Total sources of capital funds</b>	<b>195 481</b>	<b>99 914</b>	<b>135 219</b>	<b>124 588</b>	<b>24.70</b>	<b>-7.86</b>
<b>Financial position</b>						
Total current assets	314 188	238 547	266 649	329 806	38.26	23.69
Total non-current assets	2 410 915	2 498 469	2 513 070	2 460 414	-1.52	-2.10
Total current liabilities	190 720	131 650	131 650	181 007	37.49	37.49
Total non-current liabilities	447 981	424 474	424 474	465 053	9.56	9.56
<b>Community wealth/Equity</b>	<b>2 086 402</b>	<b>2 234 758</b>	<b>2 174 445</b>	<b>2 144 160</b>	<b>-4.05</b>	<b>-1.39</b>
<b>Cash flows</b>						
Net cash from (used) operating	260 148	34 810	36 690	159 074	356.98	333.56
Net cash from (used) investing	-197 681	-99 864	-132 780	-204 555	104.83	54.06
Net cash from (used) financing	-10 615	-11 652	-11 652	-11 891	2.05	2.05
<b>Cash/cash equivalents at the year end</b>	<b>51 853</b>	<b>-76 705</b>	<b>-107 742</b>	<b>-57 372</b>	<b>-25.20</b>	<b>-46.75</b>
<b>Cash backing/surplus reconciliation</b>						
Cash and investments available	162 139	76 737	51 807	190 762	148.59	268.22
Application of cash and investments	-151 019	-91 650	-91 650	-140 478	53.28	53.28
<b>Balance surplus (shortfall)</b>	<b>11 120</b>	<b>-14 913</b>	<b>-39 843</b>	<b>50 284</b>	<b>-437.19</b>	<b>-226.21</b>
<b>Asset management</b>						
Asset register summary (WDV)	2 407 601	2 496 642	2 511 243	2 457 757	-1.56	-2.13
Depreciation and asset impairment	87 496	95 246	89 246	88 561	-7.02	-0.77
Renewal of existing assets	0	0	0	0	0.00	0.00
Repairs and maintenance	52 933	32 524	52 262	46 518	43.03	-10.99
<b>Free services</b>						
Cost of free basic services provided	0	0	0	0	0.00	0.00
Revenue cost of free services provided	0	0	0	0	0.00	0.00
<i>Variations are calculated by dividing the difference between actual and original/adjustments budget by the original/adjustments budget</i>						

Table 278- Financial performance 2020/21

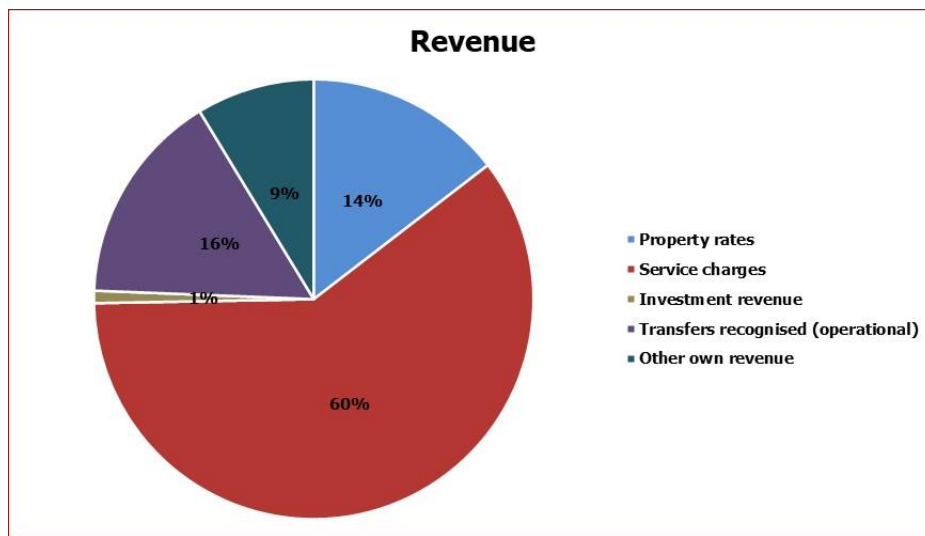
## CHAPTER 5: FINANCIAL PERFORMANCE

The table below shows a summary of performance against budgets

Financial year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000				R'000			
2019/20	1 310 896	1 159 274	-151 622	-12	1 113 584	1 011 192	102 392	9
2020/21	1 177 446	1 124 231	-53 214	-5	1 095 035	1 071 447	23 588	2

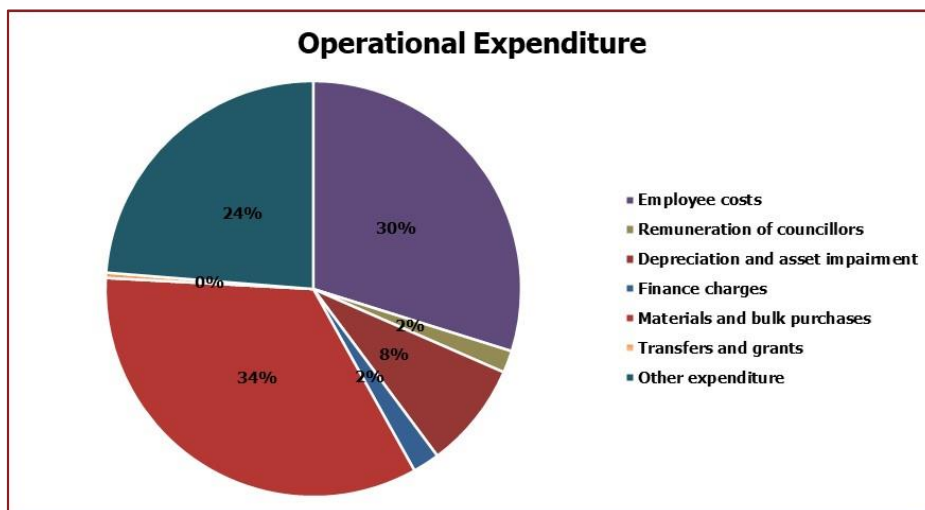
*Table 279- Performance against budgets*

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



*Graph 10: Revenue*

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



*Graph 11: Operating expenditure*

## CHAPTER 5: FINANCIAL PERFORMANCE

### 5.1.1 Revenue collection by vote

The table below indicates the revenue collection performance by vote:

Vote description	2019/20	2020/21		2020/21 Variance		
	Actual (Audited outcome)	Original budget	Adjusted budget	Actual	Original budget	Adjustment budget
	R'000			%		
Vote 1 - Council General	449	108	108	433	301.40	301.40
Vote 2 - Municipal Manager	7 434	14 734	15 067	2 859	-80.60	-81.03
Vote 3 - Strategic Support Services	3 094	1 110	1 766	1 529	37.75	-13.45
Vote 4 - Financial Services	292 360	195 113	199 335	220 708	13.12	10.72
Vote 5 - Community Services	101 230	226 081	172 372	97 838	-56.72	-43.24
Vote 6 - Technical Services	754 706	801 832	788 798	800 865	-0.12	1.53
<b>Total revenue by vote</b>	<b>1 159 274</b>	<b>1 238 979</b>	<b>1 177 446</b>	<b>1 124 231</b>	<b>-9.26</b>	<b>-4.52</b>

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

Table 280- Revenue by vote

### 5.1.2 Revenue collection by source

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

Vote description	2019/20	2020/21		2020/21 Variance		
	Actual (Audited outcome)	Original budget	Adjusted budget	Actual	Original budget	Adjustments budget
	R'000			%		
Property rates	145 107	146 998	146 998	155 977	6.11	6.11
Service charges - electricity revenue	416 707	452 478	452 478	431 937	-4.54	-4.54
Service charges - water revenue	91 484	75 888	75 888	93 942	23.79	23.79
Service charges - sanitation revenue	73 688	76 490	73 990	76 021	-0.61	2.75
Service charges - refuse revenue	40 166	42 092	42 092	42 155	0.15	0.15
Rentals of facilities and equipment	10 671	2 223	5 618	22 936	931.90	308.23
Interest earned - external investments	12 001	3 112	6 000	9 718	212.30	61.96
Interest earned - outstanding debtors	8 133	6 467	6 467	8 344	29.03	29.03
Dividends received	0	0	0	0	0.00	0.00
Fines, penalties and forfeits	51 034	118 474	118 474	30 743	-74.05	-74.05
Licences and permits	2 211	3 797	3 797	2 017	-46.86	-46.86
Agency services	7 543	8 641	8 641	9 416	8.97	8.97
Transfers and subsidies	141 850	208 112	171 213	168 007	-19.27	-1.87
Other revenue	11 618	9 406	9 405	15 716	67.09	67.09

## CHAPTER 5: FINANCIAL PERFORMANCE

Vote description	2019/20	2020/21			2020/21 Variance	
	Actual (Audited outcome)	Original budget	Adjusted budget	Actual	Original budget	Adjustments budget
	R'000				%	
Gains on disposal of PPE	0	1 320	1 320	3 919	196.99	196.99
<b>Total revenue (excluding capital transfers and contributions)</b>	<b>1 012 212</b>	<b>1 155 495</b>	<b>1 122 380</b>	<b>1 070 848</b>	<b>-7.33</b>	<b>-4.59</b>
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the original/adjustments budget</i>						

Table 281- Revenue by source

### 5.1.3 Operational services performance

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

Vote description	2019/20	2020/21			2020/21 Variance	
	Actual – (Audited outcome)	Original budget	Adjusted budget	Actual	Original budget	Adjustments budget
	R'000				%	
<b>Operating cost</b>						
<b>Governance and administration</b>	<b>94 481</b>	<b>-409</b>	<b>-23 138</b>	<b>230</b>	<b>-156.20</b>	<b>-100.99</b>
Executive and council	-40 191	-34 224	-41 582	-39 943	16.71	-3.94
Finance and administration	137 935	37 207	22 207	43 930	18.07	97.82
Internal audit	-3 263	-3 392	-3 763	-3 757	10.77	-0.17
<b>Community and public safety</b>	<b>-90 858</b>	<b>-18 274</b>	<b>-19 591</b>	<b>-85 070</b>	<b>365.52</b>	<b>334.24</b>
Community and social services	-12 433	-11 288	-16 420	-14 267	26.39	-13.11
Sport and recreation	-24 627	-22 812	-23 918	-24 319	6.60	1.67
Public safety	-55 286	7 771	17 228	-63 074	-911.64	-466.11
Housing	1 649	8 159	3 605	16 673	104.34	362.46
Health	-161	-105	-85	-83	-20.81	-2.93
<b>Economic and environmental services</b>	<b>-20 152</b>	<b>-53 017</b>	<b>-59 319</b>	<b>-28 631</b>	<b>-46.00</b>	<b>-51.73</b>
Planning and development	-8 989	-13 385	-13 671	-14 678	9.65	7.36
Road transport	-10 851	-39 196	-45 162	-13 441	-65.71	-70.24
Environmental protection	-311	-435	-485	-513	17.71	5.58
<b>Trading services</b>	<b>165 807</b>	<b>237 823</b>	<b>185 076</b>	<b>166 761</b>	<b>-29.88</b>	<b>-9.90</b>
Energy sources	56 115	96 298	75 514	53 517	-44.43	-29.13
Water management	39 658	56 266	37 293	44 311	-21.25	18.82
Waste water management	61 916	70 653	54 913	51 816	-26.66	-5.64
Waste management	8 119	14 607	17 355	17 117	17.19	-1.37

## CHAPTER 5: FINANCIAL PERFORMANCE

Vote description	2019/20	2020/21			2020/21 Variance	
	Actual – (Audited outcome)	Original budget	Adjusted budget	Actual	Original budget	Adjust- ments budget
	R'000				%	
Other	-1 197	-2 019	-618	-505	-74.97	-18.21
<b>Total expenditure</b>	<b>148 082</b>	<b>164 104</b>	<b>82 410</b>	<b>52 784</b>	<b>-67.83</b>	<b>-35.95</b>

*In this table operational income -but not levies or tariffs is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the original/adjustments budget.*

Table 282- Operational services performance

### 5.2 FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION

The tables below show the financial performance according to municipal functions:

#### 5.2.1 Executive and Council

Description	2019/20	2020/21			
	Actual (Audited outcome)	Original budget	Adjustmen t budget	Actual	Variance to budget
	R'000				%
<b>Total Operational Revenue</b>	<b>2 449</b>	<b>108</b>	<b>108</b>	<b>433</b>	<b>301.40</b>
<b>Expenditure:</b>					
Employees	29 959	29 374	31 056	30 451	<b>-1.95</b>
Contracted Services	121	2 603	2 668	534	<b>-79.98</b>
Other	12 560	2 355	7 966	9 391	<b>17.89</b>
<b>Total Operational Expenditure</b>	<b>42 640</b>	<b>34 332</b>	<b>41 690</b>	<b>40 376</b>	<b>-3.15</b>
<b>Net Operational -Service</b>	<b>-40 191</b>	<b>-34 224</b>	<b>-41 582</b>	<b>-39 943</b>	<b>-3.94</b>

Table 283- Financial performance: Executive and Council

#### 5.2.2 Finance and Administration

Description	2019/20	2020/21			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				%
<b>Total Operational Revenue</b>	<b>298 897</b>	<b>212 318</b>	<b>217 227</b>	<b>225 972</b>	<b>4.03</b>
<b>Expenditure:</b>					
Employees	80 650	86 764	89 426	86 192	<b>-3.62</b>
Contracted Services	29 229	29 467	40 376	31 952	<b>-20.86</b>
Other	51 083	58 880	65 218	63 897	<b>-2.03</b>

## CHAPTER 5: FINANCIAL PERFORMANCE

Description	2019/20	2020/21			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				
<b>Total Operational Expenditure</b>	<b>160 962</b>	<b>175 111</b>	<b>195 019</b>	<b>182 041</b>	<b>-6.65</b>
<b>Net Operational (Service)</b>	<b>137 935</b>	<b>37 207</b>	<b>22 207</b>	<b>43 930</b>	<b>97.82</b>

Table 284- Financial performance: Finance and administration

### 5.2.3 Internal Audit

Description	2019/20	2020/21			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				
<b>Total operational revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>Expenditure:</b>					
Employees	2 981	3 160	3 484	3 273	<b>-6.05</b>
Repairs and maintenance	100	115	111	69	<b>-38.05</b>
Other	182	117	168	415	<b>146.43</b>
<b>Total operational expenditure</b>	<b>3 263</b>	<b>3 392</b>	<b>3 763</b>	<b>3 757</b>	<b>-0.17</b>
<b>Net Operational -Service</b>	<b>-3 263</b>	<b>-3 392</b>	<b>-3 763</b>	<b>-3 757</b>	<b>-0.17</b>

Table 285- Financial performance: Internal audit

### 5.2.4 Community and Social Services

Description	2019/20	2020/21			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				
<b>Total Operational Revenue</b>	<b>11 080</b>	<b>11 323</b>	<b>11 456</b>	<b>13 597</b>	<b>18.69</b>
<b>Expenditure:</b>					
Employees	17 807	18 867	19 562	18 607	<b>-4.88</b>
Contracted Services	1 241	856	2 016	1 562	<b>-22.50</b>
Other	4 465	2 889	6 299	7 694	<b>22.15</b>
<b>Total Operational Expenditure</b>	<b>23 513</b>	<b>22 611</b>	<b>27 876</b>	<b>27 864</b>	<b>-0.04</b>
<b>Net Operational (Service)</b>	<b>-12 433</b>	<b>-11 288</b>	<b>-16 420</b>	<b>-14 267</b>	<b>-13.11</b>

Table 286- Financial performance: Community and social services

## CHAPTER 5: FINANCIAL PERFORMANCE

### 5.2.5 Sport and Recreation

Description	2019/20	2020/21			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				
<b>Total Operational Revenue</b>	<b>3 034</b>	<b>1 811</b>	<b>2 126</b>	<b>1 282</b>	<b>-39.70</b>
<b>Expenditure:</b>					
Employees	18 426	19 347	19 585	17 789	<b>-9.17</b>
Contracted Services	3 540	512	1 470	1 167	<b>-20.65</b>
Other	5 695	4 764	4 989	6 645	<b>33.19</b>
<b>Total Operational Expenditure</b>	<b>27 661</b>	<b>24 623</b>	<b>26 044</b>	<b>25 600</b>	<b>-1.70</b>
<b>Net Operational (Service)</b>	<b>-24 627</b>	<b>-22 812</b>	<b>-23 918</b>	<b>-24 319</b>	<b>1.67</b>

Table 287- Financial performance: Sport and recreation

### 5.2.6 Public Safety

Description	2019/20	2020/21			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				
<b>Total Operational Revenue</b>	<b>3 140</b>	<b>118 761</b>	<b>119 447</b>	<b>32 352</b>	<b>-72.91</b>
<b>Expenditure:</b>					
Employees	27 226	28 832	29 265	32 058	<b>9.54</b>
Contracted Services	143	1 320	749	463	<b>-38.19</b>
Other	31 056	80 838	72 205	62 906	<b>-12.88</b>
<b>Total Operational Expenditure</b>	<b>58 426</b>	<b>110 989</b>	<b>102 219</b>	<b>95 427</b>	<b>-6.64</b>
<b>Net Operational (Service)</b>	<b>-55 286</b>	<b>7 771</b>	<b>17 228</b>	<b>-63 074</b>	<b>-466.11</b>

Table 288- Financial performance: Public safety

### 5.2.7 Housing

Description	2019/20	2020/21			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				
<b>Total Operational Revenue</b>	<b>24 833</b>	<b>81 675</b>	<b>26 501</b>	<b>39 256</b>	<b>48.13</b>
<b>Expenditure:</b>					
Employees	5 202	4 985	5 056	5 014	<b>-0.84</b>
Contracted Services	1 949	596	1 879	3 042	<b>61.96</b>



## CHAPTER 5: FINANCIAL PERFORMANCE

Description	2019/20	2020/21			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				
Other	16 033	67 935	15 962	14 527	<b>-8.99</b>
<b>Total Operational Expenditure</b>	<b>23 184</b>	<b>73 516</b>	<b>22 896</b>	<b>22 583</b>	<b>-1.37</b>
<b>Net Operational (Service)</b>	<b>1 649</b>	<b>8 159</b>	<b>3 605</b>	<b>16 673</b>	<b>362.46</b>

Table 289- Financial performance: Housing

### 5.2.8 Health

Description	2019/20	2020/21			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				
<b>Total Operational Revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Expenditure:</b>					
Employees	0	0	0	0	<b>0</b>
Contracted Services	0	0	0	0	<b>0</b>
Other	161	105	85	83	<b>-2.93</b>
<b>Total Operational Expenditure</b>	<b>161</b>	<b>105</b>	<b>85</b>	<b>83</b>	<b>-2.93</b>
<b>Net Operational (Service)</b>	<b>-161</b>	<b>-105</b>	<b>-85</b>	<b>-83</b>	<b>-2.93</b>

Table 290- Financial performance: Health

### 5.2.9 Planning and Development

Description	2019/20	2020/21			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				
<b>Total Operational Revenue</b>	<b>6 666</b>	<b>3 209</b>	<b>3 857</b>	<b>2 828</b>	<b>-26.67</b>
<b>Expenditure:</b>					
Employees	13 083	15 185	14 399	14 214	<b>-1.28</b>
Contracted Services	924	742	1 362	1 222	<b>-10.32</b>
Other	1 647	668	1 767	2 070	<b>17.15</b>
<b>Total Operational Expenditure</b>	<b>15 655</b>	<b>16 594</b>	<b>17 528</b>	<b>17 506</b>	<b>-0.13</b>
<b>Net Operational (Service)</b>	<b>-8 989</b>	<b>-13 385</b>	<b>-13 671</b>	<b>-14 678</b>	<b>7.36</b>

Table 291- Financial performance: Planning and development

## CHAPTER 5: FINANCIAL PERFORMANCE

### 5.2.10 Road Transport

Description	2019/20	2020/21			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				
<b>Total Operational Revenue</b>	<b>79 465</b>	<b>19 109</b>	<b>13 109</b>	<b>44 821</b>	<b>241.92</b>
<b>Expenditure:</b>					
Employees	35 592	38 768	39 801	42 085	<b>5.74</b>
Contracted Services	3 807	4 215	3 742	3 810	<b>1.82</b>
Other	50 917	15 321	14 728	12 367	<b>-16.03</b>
<b>Total Operational Expenditure</b>	<b>90 316</b>	<b>58 304</b>	<b>58 271</b>	<b>58 262</b>	<b>-0.02</b>
<b>Net Operational (Service)</b>	<b>-10 851</b>	<b>-39 196</b>	<b>-45 162</b>	<b>-13 441</b>	<b>-70.24</b>

Table 292- Financial performance: Road transport

### 5.2.11 Environmental Protection

Description	2019/20	2020/21			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				
<b>Total Operational Revenue</b>	<b>813</b>	<b>2 250</b>	<b>3 378</b>	<b>2 487</b>	<b>-26.38</b>
<b>Expenditure:</b>					
Employees	4	194	193	4	<b>-98.15</b>
Contracted Services	943	2 203	3 333	2 452	<b>-26.43</b>
Other	178	289	337	544	<b>61.54</b>
<b>Total Operational Expenditure</b>	<b>1 125</b>	<b>2 685</b>	<b>3 863</b>	<b>2 999</b>	<b>-22.36</b>
<b>Net Operational (Service)</b>	<b>-311</b>	<b>-435</b>	<b>-485</b>	<b>-513</b>	<b>5.58</b>

Table 293- Financial performance: Environmental protection

### 5.2.12 Energy Sources

Description	2019/20	2020/21			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				
<b>Total Operational Revenue</b>	<b>434 289</b>	<b>483 733</b>	<b>480 132</b>	<b>457 881</b>	<b>-4.63</b>
<b>Expenditure:</b>					
Employees	20 836	22 626	21 363	20 224	<b>-5.33</b>
Contracted Services	7 443	7 470	11 904	11 599	<b>-2.56</b>

## CHAPTER 5: FINANCIAL PERFORMANCE

Description	2019/20	2020/21			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				
Other	349 895	357 339	371 350	372 541	<b>0.32</b>
<b>Total Operational Expenditure</b>	<b>378 174</b>	<b>387 435</b>	<b>404 617</b>	<b>404 364</b>	<b>-0.06</b>
<b>Net Operational (Service)</b>	<b>56 115</b>	<b>96 298</b>	<b>75 514</b>	<b>53 517</b>	<b>-29.13</b>

Table 294- Financial performance: Energy sources

### 5.2.13 Water Management

Description	2019/20	2020/21			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				
<b>Total Operational Revenue</b>	<b>108 331</b>	<b>114 878</b>	<b>112 627</b>	<b>119 417</b>	<b>6.03</b>
<b>Expenditure:</b>					
Employees	25 017	25 716	26 746	26 612	<b>-0.50</b>
Contracted Services	1 964	1 700	1 816	1 568	<b>-13.67</b>
Other	41 692	31 197	46 772	46 927	<b>0.33</b>
<b>Total Operational Expenditure</b>	<b>68 673</b>	<b>58 613</b>	<b>75 335</b>	<b>75 107</b>	<b>-0.30</b>
<b>Net Operational (Service)</b>	<b>39 658</b>	<b>56 266</b>	<b>37 293</b>	<b>44 311</b>	<b>18.82</b>

Table 295- Financial performance: Water management

### 5.2.14 Waste Water Management

Description	2019/20	2020/21			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				
<b>Total Operational Revenue</b>	<b>128 062</b>	<b>129 575</b>	<b>123 063</b>	<b>119 912</b>	<b>-2.56</b>
<b>Expenditure:</b>					
Employees	20 695	23 843	22 631	21 848	<b>-3.46</b>
Contracted Services	5 317	3 960	6 623	6 311	<b>-4.70</b>
Other	40 134	31 119	38 896	39 937	<b>2.68</b>
<b>Total Operational Expenditure</b>	<b>66 146</b>	<b>58 922</b>	<b>68 150</b>	<b>68 096</b>	<b>-0.08</b>
<b>Net Operational (Service)</b>	<b>61 916</b>	<b>70 653</b>	<b>54 913</b>	<b>51 816</b>	<b>-5.64</b>

Table 296- Financial performance: Waste water management

## CHAPTER 5: FINANCIAL PERFORMANCE

### 5.2.15 Waste Management

Description	2019/20	2020/21			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				
<b>Total Operational Revenue</b>	<b>58 215</b>	<b>60 230</b>	<b>64 316</b>	<b>63 993</b>	<b>-0.50</b>
<b>Expenditure:</b>					
Employees	18 192	18 535	18 632	19 751	<b>6.01</b>
Contracted Services	7 024	7 207	4 834	7 363	<b>52.30</b>
Other	24 880	19 881	23 495	19 762	<b>-15.89</b>
<b>Total Operational Expenditure</b>	<b>50 096</b>	<b>45 623</b>	<b>46 961</b>	<b>46 876</b>	<b>-0.18</b>
<b>Net Operational (Service)</b>	<b>8 119</b>	<b>14 607</b>	<b>17 355</b>	<b>17 117</b>	<b>-1.37</b>

Table 297- Financial performance: Waste management

### 5.2.16 Other

Description	2019/20	2020/21			
	Actual (Audited outcome)	Original budget	Adjustment budget	Actual	Variance to budget
	R'000				
<b>Total Operational Revenue</b>	<b>0</b>	<b>0</b>	<b>100</b>	<b>0</b>	<b>-100.00</b>
<b>Expenditure:</b>					
Employees	0	0	0	0	<b>0</b>
Contracted Services	655	1 636	201	52	<b>-74.17</b>
Other	542	383	516	453	<b>-12.22</b>
<b>Total Operational Expenditure</b>	<b>1 197</b>	<b>2 019</b>	<b>718</b>	<b>505</b>	<b>-29.60</b>
<b>Net Operational (Service)</b>	<b>(1 197)</b>	<b>(2 019)</b>	<b>(618)</b>	<b>(505)</b>	<b>-18.21</b>

Table 298- Financial performance: Other

## CHAPTER 5: FINANCIAL PERFORMANCE

### 5.3 GRANTS

#### 5.3.1 Grant performance

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

Description	2019/20	2020/21			2020/21 Variance	
	Actual (Audited Outcome)	Budget	Adjust- ments Budget	Actual	Original Budget	Adjust- ments Budget
	R'000				%	
<b>Operating Transfers and Grants</b>						
<b>National Government:</b>	<b>157 361</b>	<b>188 554</b>	<b>200 776</b>	<b>200 776</b>	6.48	0.00
Equitable share	117 997	127 591	145 330	145 330	13.90	0.00
Expanded Public Works Programme	3 215	3 076	3 076	3 076	0.00	0.00
MIG - Project Management Unit	24 301	34 240	33 820	33 820	-1.23	0.00
Electricity Integrated National electrification project	10 000	22 097	17 000	17 000	-23.07	0.00
Disaster Fund:	298	0	0	0	0.00	0.00
Finance Management Grant	1 550	1 550	1 550	1 550	0.00	0.00
<b>Provincial Government:</b>	<b>127 850</b>	<b>98 645</b>	<b>14 530</b>	<b>16 371</b>	-83.40	12.67
Housing	108 773	85 725	475	1 705	-98.01	258.99
Proclaimed roads	146	180	180	180	0.00	0.00
Local Government Internship grant	29	0	0	51	0.00	0.00
Municipal Accreditation and capacity building grant	477	401	1 300	1 505	275.31	15.77
Library Grant	9 738	10 225	10 225	10 225	0.00	0.00
Fire Service capacity	0	120	120	0	0.00	0.00
Financial Management Support Grant	2 080	0	0	0	0.00	0.00
Disaster Management grant Covid 19	850	0	236	199	0.00	0.00
Thusong centre	137	0	0	83	0.00	0.00
CDW grant	186	94	94	63	-32.68	-32.68
RSEP Projects	5 434	1 900	1 900	2 359	0.00	24.15
<b>Other grant providers:</b>	<b>3 701</b>	<b>4 397</b>	<b>6 075</b>	<b>4 243</b>	-3.50	-30.15
Seta	<b>631</b>	<b>500</b>	<b>500</b>	<b>457</b>	0.00	0.00
Working for Water - DWAF	<b>813</b>	<b>2 250</b>	<b>3 378</b>	<b>2 487</b>	0.00	0.00
CWDM Monetary Allocation	2 071	500	1 050	950	90.00	-9.52

## CHAPTER 5: FINANCIAL PERFORMANCE

Description	2019/20	2020/21			2020/21 Variance	
	Actual (Audited Outcome)	Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Arodromw Lightning	0	1 147	1 147	0	0.00	0.00
Donated assets - capital portion	185	0	0	350	0.00	0.00
<b>Total Operating Transfers and Grants</b>	<b>288 911</b>	<b>291 596</b>	<b>221 381</b>	<b>221 390</b>	<b>-24.08</b>	<b>0.00</b>

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

Table 299- Grant performance for 2020/21

### 5.3.2 Conditional grants (excl. MIG)

The performance in the spending of conditional grants is summarised as follows:

Details	2019/20	2020/21			2020/21 Variance	
	Actual	Budget	Adjustments Budget	Actual	Variance	
	Actual (Audited Outcome)				Budget	Adjustments Budget
	R'000				%	
Equitable share	117 997	127 591	145 330	145 330	13.90	0.00
Expanded Public Works Programme	3 215	3 076	3 076	3 076	0.00	0.00
Electricity Integrated National electrification project	10 000	22 097	17 000	17 000	-23.07	0.00
Disaster Fund:	298	0	0	0	0.00	0.00
Finance Management Grant	1 550	1 550	1 550	1 550	0.00	0.00
Housing	108 773	85 725	475	1 705	-98.01	258.99
Proclaimed roads	146	180	180	180	0.00	0.00
Local Government Intership grant	29	0	0	51	0.00	0.00
Municipal Accreditation and capacity building grant	477	401	1 300	1 505	275.31	15.77
Library Grant	9 738	10 225	10 225	10 225	0.00	0.00
Fire Service capacity	0	120	120	0	0.00	0.00
Financial Management Support Grant	2 080	0	0	0	0.00	0.00
Disaster Management grant Covid 19	850	0	236	199	0.00	0.00
Thusong centre	137	0	0	83	0.00	0.00
CDW grant	186	94	94	63	-32.68	-32.68
RSEP Projects	5 434	1 900	1 900	2 359	0.00	24.15
Seta	<b>631</b>	<b>500</b>	<b>500</b>	<b>457</b>	<b>-8.62</b>	<b>-8.62</b>
Working for Water - DWAF	<b>813</b>	<b>2 250</b>	<b>3 378</b>	<b>2 487</b>	<b>0.00</b>	<b>0.00</b>
CWDM Monetary Allocation	2 071	500	1 050	950	0.00	0.00

## CHAPTER 5: FINANCIAL PERFORMANCE

Details	2019/20	2020/21			2020/21 Variance	
	Actual	Budget	Adjustments Budget	Actual	Variance	
	Actual (Audited Outcome)				Budget	Adjustments Budget
	R'000					%
Arodromw Lightning	0	1 147	1 147	0	-100.00	-100.00
Donated assets - capital portion	185	0	0	350	0.00	0.00
<b>Total</b>	<b>264 611</b>	<b>257 356</b>	<b>187 561</b>	<b>187 570</b>	<b>-27.12</b>	<b>0.00</b>

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

Table 300- Conditional grant (excl. MIG)

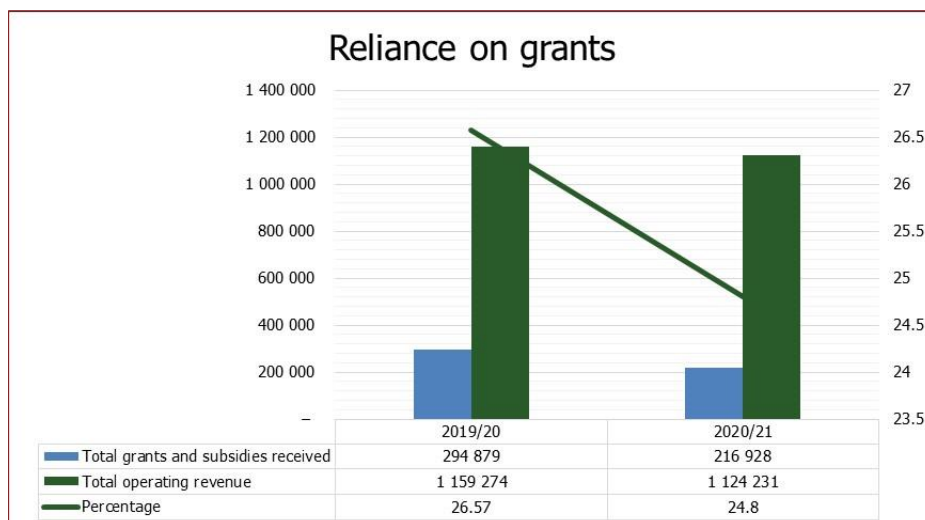
No grants have been held back over the financial year. All unspent grants after roll-over approval will be included in programs for the 2020/21 financial year.

### 5.3.3 Level of reliance on grants and subsidies

Financial year	Total grants and subsidies received	Total operating revenue	Percentage
	R'000		%
2019/20	294 879	1 159 274	<b>25.44</b>
2020/21	216 928	1 124 231	<b>19.30</b>

Table 301- Reliance on grants

The following graph indicates the Municipality's reliance on grants for the last two financial years:



Graph 12: Reliance on grants

## CHAPTER 5: FINANCIAL PERFORMANCE

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### 5.4 ASSET MANAGEMENT

The assets of the Breede Valley Municipality (BVM) are managed in accordance with the Asset Management Policy.

The policy is drawn up in line with the relevant statutory and regulatory frameworks and the relevant GRAP standards as set out by The Accounting Standards Board.

#### **The key elements are:**

#### **Responsibilities of:**

1. The Accounting Officer (Municipal Manager) - overall responsible for the assets of BVM
2. The Chief Financial Officer (Director: Finance) - delegated to ensure safeguarding of assets
3. The Asset Manager - accountable for asset under his/her directorate
4. The Asset Champions - senior officials responsible per department
5. The Asset Management Division - maintenance of the asset register, review and verifications
6. The Budgetary Division - providing detail on capital expenditure and funding

#### **Financial management:**

1. Planning
2. Funding
3. Acquisition

#### **Accounting:**

1. Capitalisation
2. Classification of the assets
3. Costing process
4. Depreciation method; impairment
5. Disclosure

#### **Internal control:**

1. Asset register
2. Transfer
3. Safeguarding – Lost, theft, destruction
4. Verification and review

#### **Disposal**

#### **Key issues under development**

The constant development in GRAP and the addition of GRAP 21 and 26 on impairment request reviews in the policy.

### 5.4.1 Treatment of the three largest assets



## CHAPTER 5: FINANCIAL PERFORMANCE

<b>Asset 1</b>		
Name	<b>Worcester Waste Water Treatment Works</b>	
Description	WWTW	
Asset type	Infrastructure (Sewer)	
Key staff involved	Senior Manager: Water and Sanitation	
Staff responsibilities	Managing and maintaining the daily operations of the plant	
Asset value	<b>2019/20 R million</b>	<b>2020/21 R million</b>
	<b>233 544</b>	<b>226 240</b>
Capital implications	Augmentation of works	
Future purpose of asset	Treatment of sewerage water in order to comply with legislation	
Describe key issues	Budgets insufficiencies, minimum qualifications of process controllers, insufficient staff complement	
Policies in place to manage asset	Asset Management Policy, Water Services Development Plan	

*Table 302- Summary of largest asset*

<b>Asset 2</b>		
Name	<b>Reservoir Stettynskloof</b>	
Description	Stettynskloof Water	
Asset type	Infrastructure (Water)	
Key staff involved	Senior Manager: Water and Sanitation	
Staff responsibilities	Operational and maintenance	
Asset value	<b>2019/20 R million</b>	<b>2020/21 R million</b>
	<b>160 120</b>	<b>156 749</b>
Capital implications	Augmentation of water supply system	
Future purpose of asset	Supply of potable water to the communities of Worcester and Rawsonville	
Describe key issues	Budgets insufficiencies, minimum qualifications of process controllers, insufficient staff complement	
Policies in place to manage asset	Asset Management Policy, Water Services Development Plan, Operational Plan, Safety Plan, Plant Operating Plan	

*Table 303- Summary of 2nd largest asset*

<b>Asset 2</b>	
Name	<b>Residential Consumers Pre-paid</b>
Description	Electric Pre-paid Meters
Asset type	Infrastructure (Electricity)

## CHAPTER 5: FINANCIAL PERFORMANCE

Asset 2		
Key staff involved	Senior Manger Electrical Services	
Staff responsibilities	Operational and maintenance	
Asset value	<b>2019/20 R million</b>	<b>2020/21 R million</b>
	<b>41 913</b>	<b>39 542</b>
Capital implications	Augmentation of works	
Future purpose of asset	Revenue protection for municipality; ensure income	
Describe key issues	Budgets insufficiencies, minimum qualifications of process controllers, insufficient staff complement	
Policies in place to manage asset	Customer Care Policy, Municipal Bylaw, Asset Management Policy	

*Table 304- Summary of 3rd largest asset*

### 5.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

#### 5.5.1 Liquidity ratio

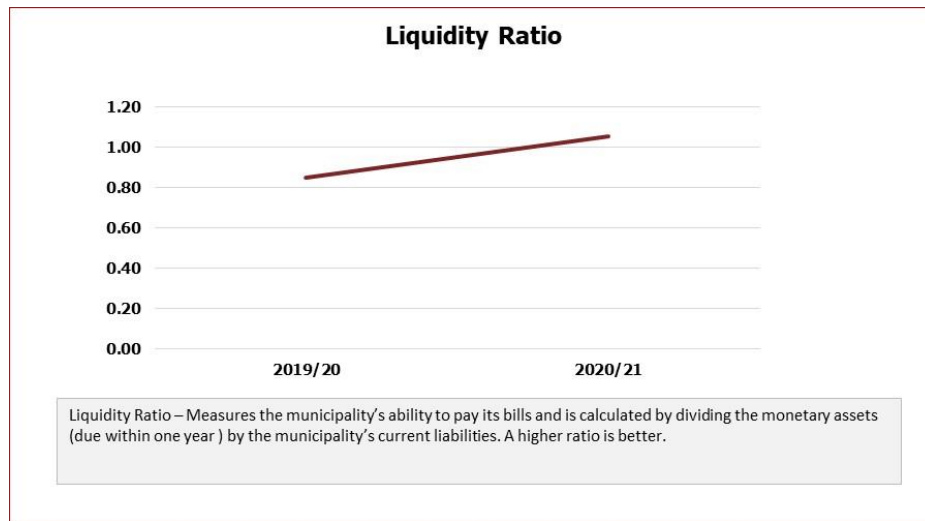
Description	Basis of calculation	2019/20	2020/21
		Audited outcome	Pre-audit outcome
Current ratio	Current assets/current liabilities	1.65	1.82
Current ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.52	1.71
Liquidity ratio	Monetary assets/current liabilities	0.85	1.05

*Table 305- Liquidity financial ratio*

The current ratio indicates a Council's ability to meet its financial obligations such as payment for goods and services supplied. A ratio of 1:1 indicates that unrestricted current assets are available on hand to meet unrestricted current liabilities. It is furthermore an indication of a Council's solvency. Breede Valley's current ratio is 1.82:1 in 2020/21 which is above the norm and indicates that Council has sufficient cash on hand to meets its short-term liabilities.

## CHAPTER 5: FINANCIAL PERFORMANCE

The following graph indicates the liquidity financial ratio for 2020/21:



*Graph 13:Liquidity ratio*

### 5.5.2 IDP regulation financial viability indicators

Description	Basis of calculation	2019/20	2020/21
		Audited outcome	Pre-audit outcome
Cost coverage	(Available cash + investments)/monthly fixed operational expenditure	2.08	2.32
Total outstanding service debtors to revenue	Total outstanding service debtors/annual revenue received for services	15.66%	14.48%
Debt coverage	(Total operating revenue - operating grants)/debt service payments due within financial year)	29.56%	27.21%

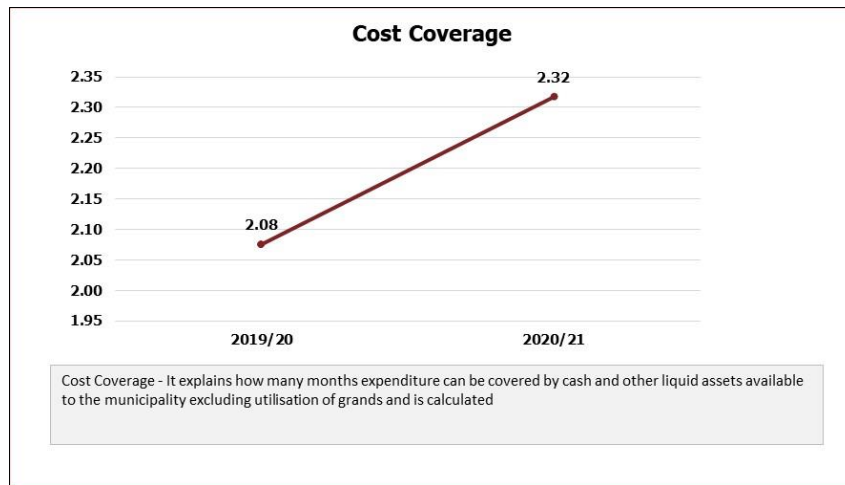
*Table 306- Financial viability national KPAs*

#### a) Cost Coverage

This ratio indicates the Municipality’s ability to meet its short-term (monthly) expenditures. It takes into consideration all available cash at a particular time including income from investments. The ratio has to be in excess of 1:1 with 2.32:1 being an acceptable ratio, because the ratio is even more than 1:1. The Municipality might even consider reducing its cash levels to pay back its debt. However, this ratio should be read in conjunction to other ratios

## CHAPTER 5: FINANCIAL PERFORMANCE

The following graph indicates the cost coverage financial viability indicator:

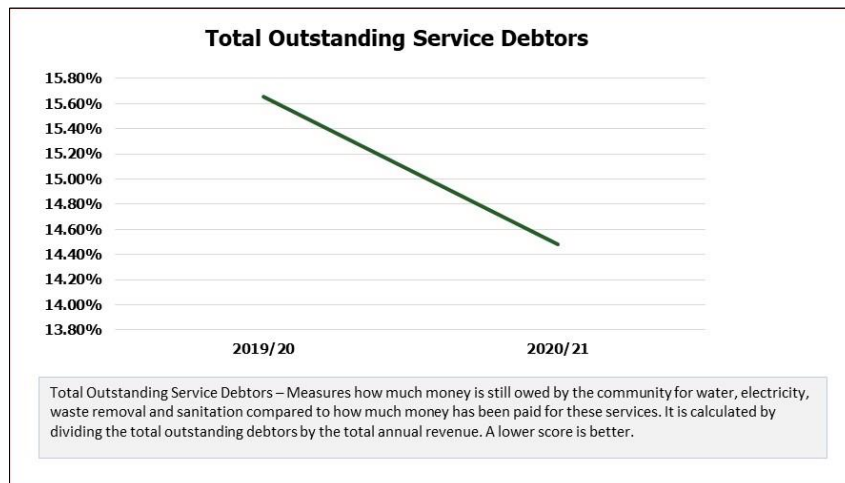


Graph 14: Cost coverage

### b) Outstanding Service Debtors to Revenue

This ratio indicates how effective revenue collection is being executed by the Municipality. The current outstanding debt is 14.48% of revenue. The Municipality should continuously enhance revenue collection mechanisms and enforce debt collection policies.

The following graph indicates the outstanding service to revenue financial viability indicator:



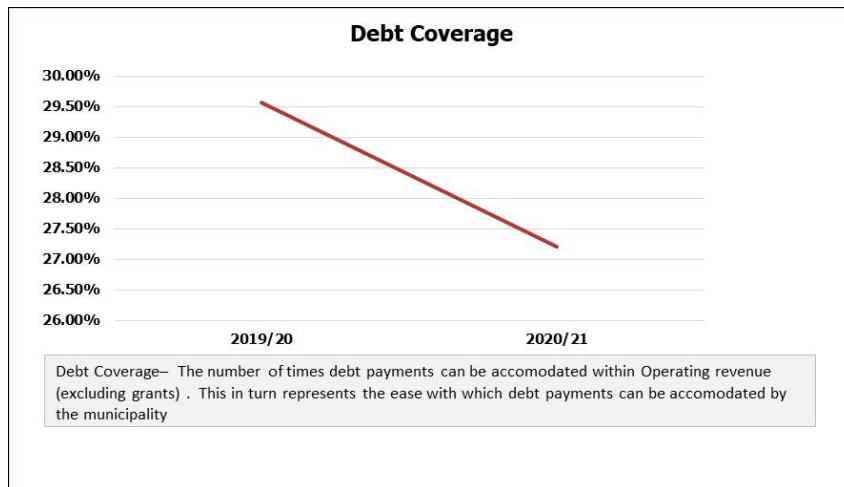
Graph 15: Total outstanding service debtors

### c) Debt Coverage

The debt coverage ratio shows the Municipality's ability to service its debt payments. A debt coverage ratio of 2 is generally considered acceptable assuming the other tests of safety have been met. The higher the debt service ratio, the lower the risk. The municipality's ratio 27.21% in 2020/21.

## CHAPTER 5: FINANCIAL PERFORMANCE

The following graph indicates the debt coverage financial viability indicator:



*Graph 16: Debt coverage*

### 5.5.3 Creditors management

Description	Basis of calculation	2019/20	2020/21
		Audited outcome	Pre-audit outcome
Creditors system efficiency	% of creditors paid within terms (within MFMA Section 65(e))	100%	100%

*Table 307- Creditors management*

### 5.5.4 Borrowing management

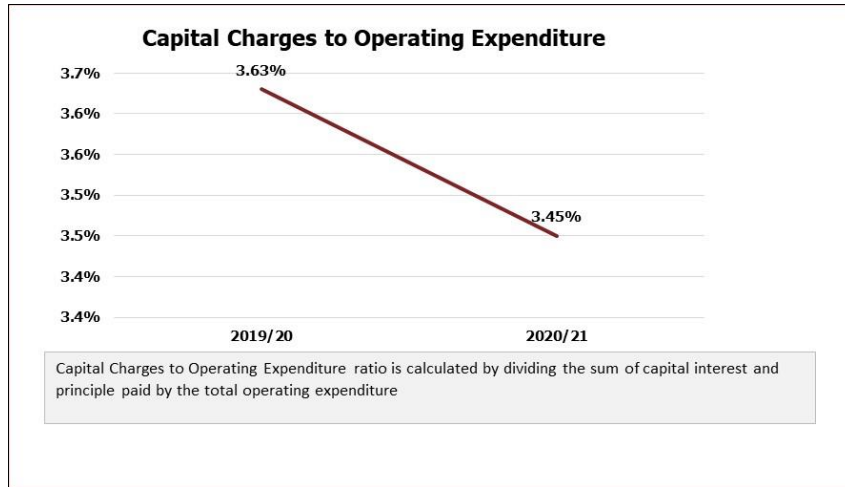
Description	Basis of calculation	2019/20	2020/21
		Audited outcome	Pre-audit outcome
Capital charges to operating expenditure	Interest and principal paid /operating expenditure	3.63%	3.45%

*Table 308- Borrowing management*

The ratio gives an indication of the total percentage paid on external loans. The ratio decreased from 4.20% in 2019/20 to 4.01% in 2020/21 which is within the norm of 18%.

## CHAPTER 5: FINANCIAL PERFORMANCE

The following graph indicates the ratio of capital charges to operating expenditure:



*Graph 17: Capital charges to operating expenditure ratio*

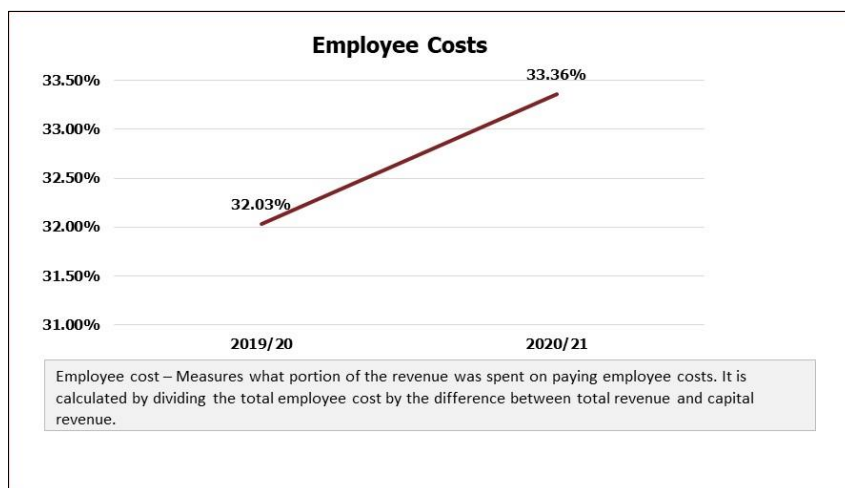
### 5.5.5 Employee costs

Description	Basis of calculation	2019/20	2020/21
		Audited outcome	Pre-audit outcome
Employee costs	Employee costs/ (Total Revenue - capital revenue)	32.03%	33.36%

*Table 309- Employee costs*

The ratio gives an indication of the total percentage paid on employee cost. The ratio increased from 32.03% in 2019/20 to 33.36% in 2020/21 and is still within the norm of 35%.

The following graph indicates the employee costs ratio:



*Graph 18: Employee costs ratio*

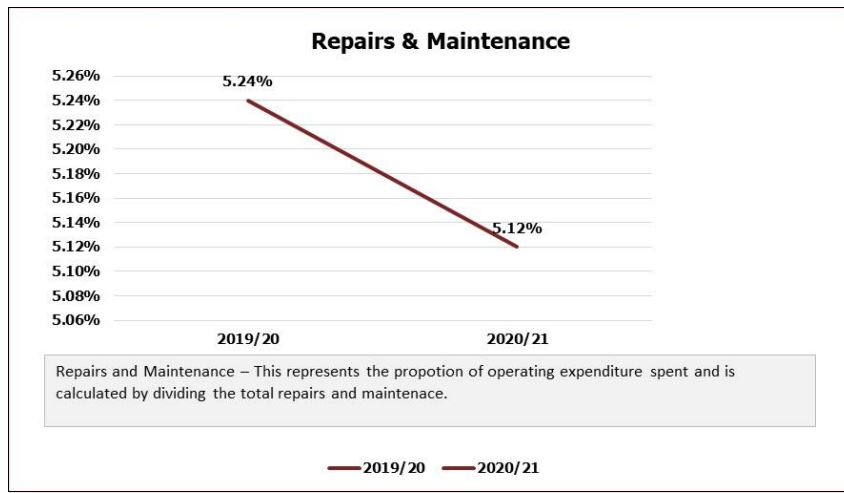
## CHAPTER 5: FINANCIAL PERFORMANCE

### 5.5.6 Repairs and maintenance

Description	Basis of calculation	2019/20	2020/21
		Audited outcome	Pre-audit outcome
Repairs and maintenance	RandM/ (Total revenue excluding capital revenue)	6.74%	5.24%

Table 310- Repairs and maintenance

The following graph indicates the ratio of repairs and maintenance:



Graph 19: Repairs and maintenance ratio

### COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings and operating expenditures and surpluses. Component B deals with capital spending indicating where the funding comes from and whether municipalities can spend the available funding as planned. In this component it is important to indicate the different sources of funding as well as how these funds are spent.

### 5.6 CAPITAL EXPENDITURE

#### 5.6.1 Capital expenditure by new assets programme

Description	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework			
	R'000	Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>								
<b>Infrastructure</b>	<b>125 219</b>	<b>85 323</b>	<b>29 011</b>	<b>24 630</b>	<b>61 287</b>	<b>117 311</b>	<b>75 008</b>	

## CHAPTER 5: FINANCIAL PERFORMANCE

Description	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R'000	Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Roads Infrastructure	35 813	17 646	1 223	296	8 100	16 000	15 500
<i>Roads</i>	35 813	17 646	897	0	0	10 000	10 000
<i>Road Structures</i>	0	0	326	296	8 100	6 000	5 500
<i>Road Furniture</i>	0	0	0	0	0	0	0
<i>Capital Spares</i>	0	0	0	0	0	0	0
Storm water Infrastructure	22 875	6 000	325	43	390	190	95
<i>Drainage Collection</i>	22 875	6 000	0	0	0	0	0
<i>Storm water Conveyance</i>	0	0	325	43	390	190	95
<i>Attenuation</i>	0	0	0	0	0	0	0
Electrical Infrastructure	14 693	23 252	20 991	20 380	34 880	55 980	39 990
<i>Power Plants</i>	0	0	0	0	0	0	0
<i>HV Substations</i>	0	0	0	0	0	0	0
<i>HV Switching Station</i>	0	0	0	0	0	0	0
<i>HV Transmission Conductors</i>	0	0	0	0	0	0	0
<i>MV Substations</i>	0	0	0	0	6 000	15 000	0
<i>MV Switching Stations</i>	0	0	0	0	0	0	0
<i>MV Networks</i>	0	0	0	0	0	0	0
<i>LV Networks</i>	14 693	22 105	19 685	19 329	28 880	40 980	39 990
<i>Capital Spares</i>	0	1 147	1 306	1 051	0	0	0
Water Supply Infrastructure	28 884	24 357	4 476	3 258	5 708	34 145	5 365
<i>Dams and Weirs</i>	52	373	0	0	0	4 379	0
<i>Boreholes</i>	0	0	0	0	0	0	0
<i>Reservoirs</i>	5 901	12 053	1 465	1 311	0	18 481	0
<i>Pump Stations</i>	0	0	0	0	0	0	0
<i>Water Treatment Works</i>	0	3 212	0	0	2 547	7 773	2 000
<i>Bulk Mains</i>	0	0	0	0	0	0	0
<i>Distribution</i>	22 931	8 719	3 011	1 947	3 161	3 011	3 365
<i>Distribution Points</i>	0	0	0	0	0	0	0
<i>PRV Stations</i>	0	0	0	0	0	0	0
<i>Capital Spares</i>	0	0	0	0	0	500	0
Sanitation Infrastructure	22 955	14 068	1 996	653	9 043	10 996	14 058
<i>Pump Station</i>	80	0	0	0	600	9 000	10 000
<i>Reticulation</i>	22 875	14 068	1 996	653	2 146	1 996	2 058
<i>Waste Water Treatment Works</i>	0	0	0	0	6 297	0	2 000



## CHAPTER 5: FINANCIAL PERFORMANCE

Description	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R'000	Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<i>Outfall Sewers</i>	0	0	0	0	0	0	0
<i>Toilet Facilities</i>	0	0	0	0	0	0	0
<i>Capital Spares</i>	0	0	0	0	0	0	0
Solid Waste Infrastructure	0	0	0	0	516	0	0
<i>Landfill Sites</i>	0	0	0	0	0	0	0
<i>Waste Transfer Stations</i>	0	0	0	0	516	0	0
<i>Waste Processing Facilities</i>	0	0	0	0	0	0	0
<i>Waste Drop-off Points</i>	0	0	0	0	0	0	0
<i>Waste Separation Facilities</i>	0	0	0	0	0	0	0
<i>Electricity Generation Facilities</i>	0	0	0	0	0	0	0
<i>Capital Spares</i>	0	0	0	0	0	0	0
Rail Infrastructure	0	0	0	0	0	0	0
<i>Rail Lines</i>	0	0	0	0	0	0	0
<i>Rail Structures</i>	0	0	0	0	0	0	0
<i>Rail Furniture</i>	0	0	0	0	0	0	0
<i>Drainage Collection</i>	0	0	0	0	0	0	0
<i>Storm water Conveyance</i>	0	0	0	0	0	0	0
<i>Attenuation</i>	0	0	0	0	0	0	0
<i>MV Substations</i>	0	0	0	0	0	0	0
<i>LV Networks</i>	0	0	0	0	0	0	0
<i>Capital Spares</i>	0	0	0	0	0	0	0
Coastal Infrastructure	0	0	0	0	0	0	0
<i>Sand Pumps</i>	0	0	0	0	0	0	0
<i>Piers</i>	0	0	0	0	0	0	0
<i>Revetments</i>	0	0	0	0	0	0	0
<i>Promenades</i>	0	0	0	0	0	0	0
<i>Capital Spares</i>	0	0	0	0	0	0	0
Information and Communication Infrastructure	0	0	0	0	2 650	0	0
<i>Data Centres</i>	0	0	0	0	150	0	0
<i>Core Layers</i>	0	0	0	0	0	0	0
<i>Distribution Layers</i>	0	0	0	0	2 500	0	0
<i>Capital Spares</i>	0	0	0	0	0	0	0
<b>Community Assets</b>	<b>6 857</b>	<b>830</b>	<b>11 964</b>	<b>11 369</b>	<b>16 598</b>	<b>500</b>	<b>15 000</b>
Community Facilities	5 491	500	2 032	1 436	0	0	0

## CHAPTER 5: FINANCIAL PERFORMANCE

Description	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R'000	Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<i>Halls</i>	0	0	0	0	0	0	0
<i>Centres</i>	0	0	0	0	0	0	0
<i>Crèches</i>	0	0	0	0	0	0	0
<i>Clinics/Care Centres</i>	0	0	0	0	0	0	0
<i>Fire/Ambulance Stations</i>	488	0	1 324	794	0	0	0
<i>Testing Stations</i>	0	0	0	0	0	0	0
<i>Museums</i>	0	0	0	0	0	0	0
<i>Galleries</i>	0	0	0	0	0	0	0
<i>Theatres</i>	0	0	0	0	0	0	0
<i>Libraries</i>	0	0	0	0	0	0	0
<i>Cemeteries/Crematoria</i>	0	0	0	0	0	0	0
<i>Police</i>	0	0	0	0	0	0	0
<i>Parks</i>	0	500	538	493	0	0	0
<i>Public Open Space</i>	206	0	31	10	0	0	0
<i>Nature Reserves</i>	0	0	0	0	0	0	0
<i>Public Ablution Facilities</i>	0	0	0	0	0	0	0
<i>Markets</i>	3 331	0	138	138	0	0	0
<i>Stalls</i>	0	0	0	0	0	0	0
<i>Abattoirs</i>	0	0	0	0	0	0	0
<i>Airports</i>	0	0	0	0	0	0	0
<i>Taxi Ranks/Bus Terminals</i>	0	0	0	0	0	0	0
<i>Capital Spares</i>	1 466	0	0	0	0	0	0
Sport and Recreation Facilities	1 365	330	9 933	9 933	16 598	500	15 000
<i>Indoor Facilities</i>	0	0	0	0	0	0	0
<i>Outdoor Facilities</i>	1 365	330	9 933	9 933	16 598	500	15 000
<i>Capital Spares</i>	0	0	0	0	0	0	0
<b><u>Heritage assets</u></b>	0	0	0	0	0	0	0
Monuments	0	0	0	0	0	0	0
Historic Buildings	0	0	0	0	0	0	0
Works of Art	0	0	0	0	0	0	0
Conservation Areas	0	0	0	0	0	0	0
Other Heritage	0	0	0	0	0	0	0
<b><u>Investment properties</u></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Revenue Generating	0	0	0	0	0	0	0

## CHAPTER 5: FINANCIAL PERFORMANCE

Description	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
R'000	Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<i>Improved Property</i>	0	0	0	0	0	0	0
<i>Unimproved Property</i>	0	0	0	0	0	0	0
Non-revenue Generating	0	0	0	0	0	0	0
<i>Improved Property</i>	0	0	0	0	0	0	0
<i>Unimproved Property</i>	0	0	0	0	0	0	0
<b>Other assets</b>	<b>192</b>	<b>500</b>	<b>672</b>	<b>592</b>	<b>400</b>	<b>400</b>	<b>400</b>
Operational Buildings	192	500	672	592	400	400	400
<i>Municipal Offices</i>	192	500	672	592	400	400	400
<i>Pay/Enquiry Points</i>	0	0	0	0	0	0	0
<i>Building Plan Offices</i>	0	0	0	0	0	0	0
<i>Workshops</i>	0	0	0	0	0	0	0
<i>Yards</i>	0	0	0	0	0	0	0
<i>Stores</i>	0	0	0	0	0	0	0
<i>Laboratories</i>	0	0	0	0	0	0	0
<i>Training Centres</i>	0	0	0	0	0	0	0
<i>Manufacturing Plant</i>	0	0	0	0	0	0	0
<i>Depots</i>	0	0	0	0	0	0	0
<i>Capital Spares</i>	0	0	0	0	0	0	0
Housing	0	0	0	0	0	0	0
<i>Staff Housing</i>	0	0	0	0	0	0	0
<i>Social Housing</i>	0	0	0	0	0	0	0
<i>Capital Spares</i>	0	0	0	0	0	0	0
<b>Biological or Cultivated Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Biological or Cultivated Assets	0	0	0	0	0	0	0
<b>Intangible Assets</b>	<b>21</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Servitudes	0	0	0	0	0	0	0
Licenses and Rights	21	0	0	0	0	0	0
<i>Water Rights</i>	0	0	0	0	0	0	0
<i>Effluent Licenses</i>	0	0	0	0	0	0	0
<i>Solid Waste Licenses</i>	0	0	0	0	0	0	0
<i>Computer Software and Applications</i>	21	0	0	0	0	0	0
<i>Load Settlement Software Applications</i>	0	0	0	0	0	0	0
<i>Unspecified</i>	0	0	0	0	0	0	0

## CHAPTER 5: FINANCIAL PERFORMANCE

Description	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		R'000	Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Budget Year 2021/22
<b>Computer Equipment</b>	<b>0</b>	<b>0</b>	<b>928</b>	<b>1 070</b>	<b>0</b>	<b>0</b>	<b>0</b>
Computer Equipment	0	0	928	1 070	0	0	0
<b>Furniture and Office Equipment</b>	<b>393</b>	<b>30</b>	<b>156</b>	<b>128</b>	<b>205</b>	<b>25</b>	<b>25</b>
Furniture and Office Equipment	393	30	156	128	205	25	25
<b>Machinery and Equipment</b>	<b>6 555</b>	<b>8 460</b>	<b>4 904</b>	<b>4 216</b>	<b>8 610</b>	<b>4 750</b>	<b>4 750</b>
Machinery and Equipment	6 555	8 460	4 904	4 216	8 610	4 750	4 750
<b>Transport Assets</b>	<b>2 014</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4 500</b>	<b>2 250</b>	<b>2 250</b>
Transport Assets	2 014	0	0	0	4 500	2 250	2 250
<b>Land</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Land	0	0	0	0	0	0	0
<b>Zoo's, Marine and Non-biological Animals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Zoo's, Marine and Non-biological Animals	0	0	0	0	0	0	0
<b>Total Capital Expenditure on new assets</b>	<b>141 251</b>	<b>95 144</b>	<b>47 635</b>	<b>42 005</b>	<b>91 600</b>	<b>125 236</b>	<b>97 433</b>

Table 311- Capital expenditure: New assets programme

### 5.7 SOURCES OF FINANCE

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

Details	2019/20	2020/21			2020/21 Variance	
	Audited outcome	Original budget (OB)	Adjustment budget	Actual	Adjustment to OB variance	Actual to OB variance
	R'000				%	
<b>Source of finance</b>						
External loans	159	0	0	0	0.00	0.00
Public contributions and donations	0	0	0	0	0.00	0.00
Grants and subsidies	147 062	83 484	55 065	53 383	-36.06	-3.06
Own funding	48 260	16 429	80 153	71 205	333.40	-11.16
<b>Total</b>	<b>195 481</b>	<b>99 914</b>	<b>135 219</b>	<b>124 588</b>	<b>24.70</b>	<b>-7.86</b>
<b>Percentage of finance</b>						
External loans	0	0	0	0		
Public contributions and donations	0	0	0	0		

## CHAPTER 5: FINANCIAL PERFORMANCE

Details	2019/20	2020/21			2020/21 Variance	
	Audited outcome	Original budget (OB)	Adjustment budget	Actual	Adjustment to OB variance	Actual to OB variance
	R'000				%	
Grants and subsidies	75	84	41	43		
Own funding	25	16	59	57		
<b>Capital expenditure</b>						
Water and sanitation	78 739	50 430	13 211	9 614	-73.80	-7.13
Electricity	20 710	28 212	26 700	23 781	-5.36	-10.35
Housing	0	0	0	0	0.00	0.00
Roads and storm water	64 435	17 646	72 678	71 176	311.86	-8.51
Other	31 598	3 625	22 629	20 017	524.25	-72.07
<b>Total</b>	<b>195 481</b>	<b>99 914</b>	<b>135 219</b>	<b>124 588</b>	<b>35.34</b>	<b>-10.64</b>
<b>Percentage of expenditure</b>						
Water and sanitation	40	50	10	8		
Electricity	11	28	20	19		
Housing	0	0	0	0		
Roads and storm water	33	18	54	57		
Other	16	4	17	16		

Table 312- Capital expenditure by funding source

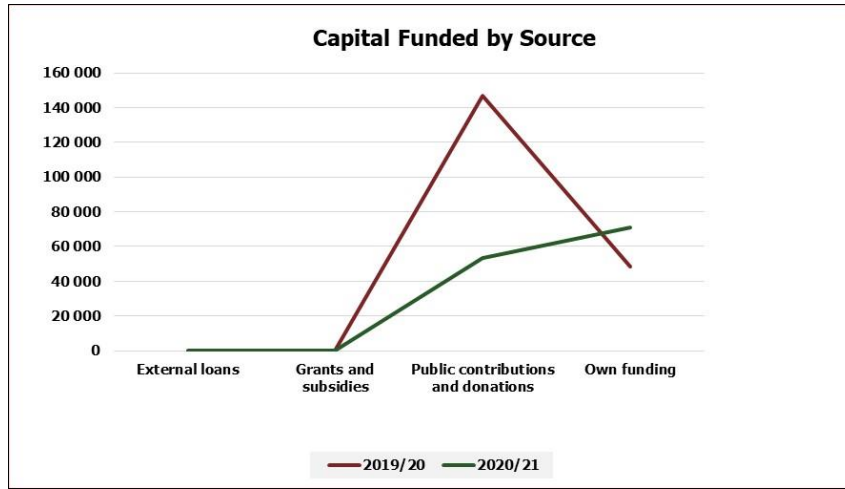
### 5.7.1 Capital funded by source

Description source	2019/20	2020/21
	R'000	
External loans	159	0
Grants and subsidies	0	0
Public contributions and donations	147 062	53 383
Own funding	48 260	71 205
<b>Total capital expenditure</b>	<b>195 481</b>	<b>124 588</b>

Table 313- Capital funded by source

## CHAPTER 5: FINANCIAL PERFORMANCE

The following graph indicates capital expenditure funded by the various sources:



*Graph 20: Capital funded by source*

### 5.8 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Projects with the highest capital expenditure in 2020/21

Name of project	2020/21			Variance current year: 2020/21	
	Original budget	Adjustment budget	Actual expenditure	Original variance	Adjustment variance
	R'000			%	
Resealing of Municipal Roads - Worcester	0.00	32 943	32 927	0.00	-0.05
Electrical Reticulation	22 097	17 000	17 000	23.07	0.00
Resealing of Municipal Roads - Touws River	0.00	14 846	14 846	0.00	0.00
Zweletemba - New Swimming Bath	0.00	9 648	9 648	0.00	0.00
Resealing of Municipal Roads - Roodewal	0.00	4 797	4 797	0.00	0.00

*Table 314- Capital expenditure on the 5 largest projects*

## CHAPTER 5: FINANCIAL PERFORMANCE

### 5.9 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

#### 5.9.1 Municipal Infrastructure Grant (MIG) expenditure on service backlogs

Municipal Infrastructure Grant (MIG)* Expenditure 2020/21 on Service backlogs					
Details	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjust- ments Budget
	R'000			%	%
<b>Infrastructure - Water</b>	<b>15 264 842</b>	<b>1 464 778</b>	<b>1 310 905</b>	<b>-91.41</b>	<b>-10.50</b>
<i>Reticulation</i>	12 053 101	1 464 778	1 310 905	-89.12	-10.50
<i>Water purification</i>	3 211 741	0	0	0.00	0.00
<b>Infrastructure - Sanitation</b>	<b>0</b>	<b>350 000</b>	<b>338 402</b>	<b>0.00</b>	<b>0.00</b>
<i>Reticulation</i>	0	0	0	0.00	0.00
<i>Sewerage purification</i>	0	350 000	338 402	0.00	0.00
<b>Infrastructure: Road transport - Total</b>	<b>18 967 286</b>	<b>30 681 183</b>	<b>30 681 182</b>	<b>0.00</b>	<b>0.00</b>
<i>Roads, Pavements &amp; Bridges</i>	11 646 365	30 681 183	30 681 182	0.00	0.00
<i>Storm water</i>	7 320 921	0	0	0.00	0.00
<b>Infrastructure - Refuse removal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Infrastructure - Electricity</b>	<b>7 871</b>	<b>0</b>	<b>0</b>	<b>-100.00</b>	<b>0.00</b>
<i>Reticulation</i>	0	0	0	0.00	0.00
<i>Street Lighting</i>	7 871	0	0	-100.00	0.00
<b>Community Assets</b>	<b>0</b>	<b>1 324 039</b>	<b>794 307</b>	<b>0.00</b>	<b>-40.01</b>
<i>Fire/Ambulance Stations</i>	0	1 324 039	794 307	0.00	-40.01
<b>Other Specify: Recreational facilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<i>Outdoor Sport facilities</i>	0	0	0	0.00	0.00
<b>Other: Operational</b>	<b>0</b>	<b>0</b>	<b>695 205</b>	<b>0.00</b>	<b>0.00</b>
<b>Total</b>	<b>34 239 999</b>	<b>33 820 000</b>	<b>33 820 000</b>	<b>-1.23</b>	<b>0.00</b>

Table 315- Municipal Infrastructure Grant (MIG) expenditure on service backlogs

### COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

- BVM ensure the availability at all times of adequate liquid resources for operational purpose and investment in assets.
- Obtain an optimal balance between available cash and cash investments.
- Attain the highest possible return at the lowest risk on investments
- Ensure the safety of public funds by proper stewardship and accountability of cash resources.
- Collect all monies as soon as possible after they become payable and deposit it into a bank account.
- Ensure effective control over expenditure and proper planning of payments.

## CHAPTER 5: FINANCIAL PERFORMANCE

- Cash receipts are balanced daily.
- All monies are banked promptly.
- Adequate internal control systems exist.
- Assets are safeguarded to prevent theft and fraud.
- Audit checks are carried out regularly.
- Bank reconciliations are prepared and certified regularly.
- Payment of creditors and salaries are controlled.

### 5.10 CASH FLOW

Description	2019/20	2020/21		
	Audited outcome	Original budget	Adjusted budget	Actual
<b>R'000</b>				
<b>Cash flow from operating activities</b>				
<b>Receipts</b>				
Ratepayers and other	765 479	629 384	710 332	802 446
Government – operating	141 396	208 112	166 964	151 664
Government – capital	147 062	83 484	54 417	53 383
Interest	18 674	7 315	10 850	16 180
Dividends	0	0	0	0
<b>Payments</b>				
Suppliers and employees	-783 656	-805 204	-875 040	-837 796
Finance charges	-23 643	-22 676	-22 676	-22 351
Transfers and Grants	-5 163	-65 605	-8 158	-4 452
<b>Net cash from/(used) operating activities</b>	<b>260 148</b>	<b>34 810</b>	<b>36 690</b>	<b>159 074</b>
<b>Cash flow from investing activities</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE	-362	0	0	4 445
Decrease (Increase) in non-current debtors	0	0	0	0
Decrease (increase) in other non-current receivables	-1 676	100	100	918
Decrease (increase) in non-current investments	-199	0	0	-85 995
<b>Payments</b>				
Capital assets	-195 296	-99 914	-132 830	-123 788
<b>Net cash from/(used) investing activities</b>	<b>-197 533</b>	<b>-99 814</b>	<b>-132 730</b>	<b>-204 419</b>
<b>Cash flows from financing activities</b>				
<b>Receipts</b>				



## CHAPTER 5: FINANCIAL PERFORMANCE

Description	2019/20	2020/21		
	Audited outcome	Original budget	Adjusted budget	Actual
<b>R'000</b>				
Short term loans	0	0	0	0
Borrowing long term/refinancing	0	0	0	0
<b>Payments</b>				
Repayment of borrowing	-10 763	-11 702	-11 702	-12 026
<b>Net cash from/(used) financing activities</b>	<b>-10 763</b>	<b>-11 702</b>	<b>-11 702</b>	<b>-12 026</b>
<b>Net increase/(decrease) in cash held</b>	<b>51 853</b>	<b>-76 705</b>	<b>-107 742</b>	<b>-57 372</b>
Cash/cash equivalents at the year begin	<b>94 867</b>	<b>100 031</b>	<b>161 720</b>	<b>146 720</b>
Cash/cash equivalents at the year-end	<b>146 720</b>	<b>23 325</b>	<b>53 978</b>	<b>89 348</b>
<i>Source: MBRR SA7</i>				

Table 316- Cash flow

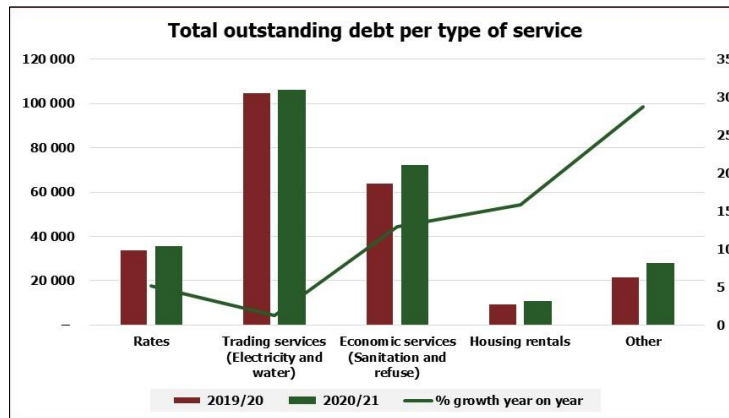
### 5.11 GROSS OUTSTANDING DEBTORS PER SERVICE

Financial year	Rates	Trading services	Economic services	Housing rentals	Other	Total
		(Electricity and water)	(Sanitation and refuse)			
<b>R'000</b>						
2019/20	33 797	104 975	63 897	9 390	21 683	233 742
2020/21	35 527	106 361	72 140	10 874	27 916	252 818
<b>Difference</b>	1 730	1 386	8 243	1 484	6 234	19 076
<b>% growth year on year</b>	<b>5</b>	<b>1</b>	<b>13</b>	<b>16</b>	<b>29</b>	<b>8</b>
<i>Note: Figures exclude provision for bad debt</i>						

Table 317- Gross outstanding debtors per service

## CHAPTER 5: FINANCIAL PERFORMANCE

The following graph indicates the total outstanding debt per type of service and the increase from 2019/20 to 2020/21:



Graph 21: Debt per type of service

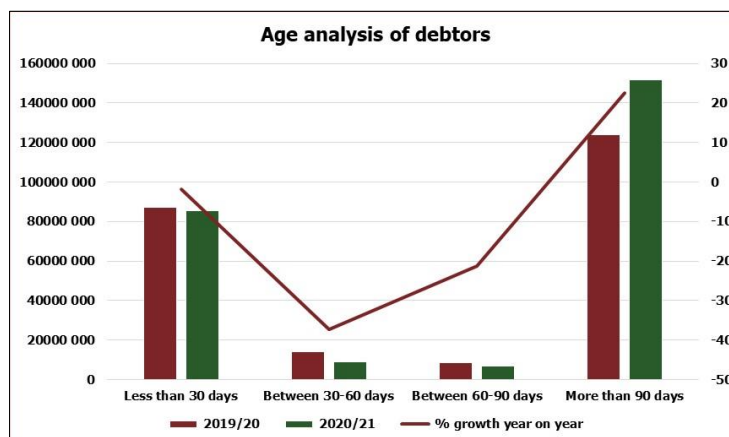
### 5.12 TOTAL DEBTORS AGE ANALYSIS

Financial year	Less than 30 days	Between 30-60 days	Between 60-90 days	More than 90 days	Total
	R'000				
2019/20	87 298	14 042	8 562	123 840	233 742
2020/21	85 653	8 798	6 737	151 630	252 818
<b>Difference</b>	(1 645)	(5 244)	(1 825)	27 791	19 076
<b>% growth year on year</b>	<b>-2</b>	<b>-37</b>	<b>-21</b>	<b>22</b>	<b>8</b>

*Note: Figures exclude provision for bad debt*

Table 318- Service debtor age analysis

The following graph indicates the age analysis of debtors and the increase/decrease from 2019/20 to 2020/21:



Graph 22: Age analysis of debtors

## CHAPTER 5: FINANCIAL PERFORMANCE

### 5.13 BORROWING AND INVESTMENTS

Money not immediately required is invested within a timeframe of 1 month to 12 months.

The Investment Policy is approved and gives effect to regulations.

#### 5.13.1 Actual borrowings

Instrument	2019/20	2020/21
	R'000	
Long-term loans (annuity/reducing balance)	192 180	179 139
Long-term loans (non-annuity)	0	0
Local registered stock	0	0
Instalment credit	0	0
Financial leases	0	0
PPP liabilities	0	0
Finance granted by Cap equipment supplier	0	0
Marketable bonds	0	0
Non-marketable bonds	0	0
Bankers acceptances	0	0
Financial derivatives	0	0
Other securities	0	0
<b>Municipality total</b>	<b>192 180</b>	<b>179 139</b>

*Table 319- Actual borrowings*

#### 5.13.2 Municipal investments

Investment* type	2019/20	2020/21
	R'000	
Securities - National government	0	0
Listed corporate bonds	0	0
Deposits – Bank	15 420	101 414
Deposits - Public investment commissioners	0	0
Deposits - Corporation for public deposits	0	0
Bankers acceptance certificates	0	0
Negotiable certificates of deposit – Banks	0	0
Guaranteed endowment policies (sinking)	0	0
Repurchase agreements – Banks	0	0
Municipal bonds	0	0
Other	0	0

## CHAPTER 5: FINANCIAL PERFORMANCE

Investment* type	2019/20	2020/21
	R'000	
<b>Municipality total</b>	<b>15 420</b>	<b>101 414</b>

*Table 320- Municipal investments*

The table below indicates the declaration of loans and grants made by the Municipality for the 2020/21 financial year:

All Organisation or Person in receipt of Grants provided by the municipality	Nature of project	Value 2020/21	Total Amount committed over previous and future years
		R'000	
ACV Nuwerus Tehuis	Financial Assistance: Community Development	10	0
ACV Stilwaters Dienssentrum	Financial Assistance: Community Development	10	0
ACV Worcester	Financial Assistance: Community Development	10	0
Bumbanani New Beginning	Financial Assistance: Community Development	10	0
BVAPD Breede Valley Ass	Financial Assistance: Community Development	10	0
Change Makers Worcester	Financial Assistance: Community Development	10	0
Charles & Catherin Educare	Financial Assistance: Community Development	10	0
Cuppy Cake Play Group	Financial Assistance: Community Development	10	0
Fasfacts	Financial Assistance: Community Development	10	0
Feb Disable Care	Financial Assistance: Community Development	10	0
Fit2Run	Financial Assistance: Community Development	10	0
Hearts of Hope Pre School	Financial Assistance: Community Development	10	0
Innovation for the Blind	Financial Assistance: Community Development	10	0
Little Buddies Playgroup	Financial Assistance: Community Development	10	0
Masibafikele Community Projects	Financial Assistance: Community Development	10	0
Masikhule Pre-School	Financial Assistance: Community Development	10	0
Masiqhubeke Creche	Financial Assistance: Community Development	10	0
My Father's House Worcester	Financial Assistance: Community Development	10	0

## CHAPTER 5: FINANCIAL PERFORMANCE

All Organisation or Person in receipt of Grants provided by the municipality	Nature of project	Value 2020/21	Total Amount committed over previous and future years
		R'000	
NID - National Institute for The Deaf	Financial Assistance: Community Development	10	0
Nonkululeko Aged Centre	Financial Assistance: Community Development	10	0
Pioneer School for The Visually Impaired	Financial Assistance: Community Development	10	0
The Grace Trust	Financial Assistance: Community Development	10	0
Woman Of Hope	Financial Assistance: Community Development	10	0
Wonderland Day Centre	Financial Assistance: Community Development	10	0
Worcester Ekumeniese Gemeenskapsdiens	Financial Assistance: Community Development	10	0
Worcester Lions Club	Financial Assistance: Community Development	10	0
YWAM Worcester	Financial Assistance: Community Development	10	0
Zanokhanyo Pre-School	Financial Assistance: Community Development	10	0
Zwelethemba Meals on Wheels	Financial Assistance: Community Development	10	0
Zwelethemba Rotary Pre-School	Financial Assistance: Community Development	10	0
<b>Total</b>		<b>300</b>	

*Table 321- Declaration of loans and grants*

### COMPONENT D: OTHER FINANCIAL MATTERS

#### 5.14 SCM

The Municipality does have policies and practices that comply with the guidelines set by the SCM Regulations of 2005. The BVM has a fully operational SCM committee system and no councillor is a part of the SCM process or committee system. The Municipality is also focusing on the effective functioning of the SCM officials and enrolled the SCM manager, heads and accountants for the municipal minimum competency training.

#### 5.15 GRAP COMPLIANCE

BVM comply with the following GRAP statements:

- GRAP 1: Presentation of financial statements

## CHAPTER 5: FINANCIAL PERFORMANCE

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- GRAP 2: Cash flow statement
- GRAP 3: Accounting policies, changes in accounting estimates and errors
- GRAP 4: The effects of changes in foreign exchanges rates
- GRAP 5: Borrowing costs
- GRAP 6: Consolidated and separate financial statements
- GRAP 7: Investments in associates
- GRAP 8: Interests in joint ventures
- GRAP 9: Revenue from exchanges transactions
- GRAP 10: Financial reporting in hyperinflationary economies
- GRAP 11: Contraction contracts
- GRAP 12: Inventories
- GRAP 13: Leases
- GRAP 14: Events after the reporting date
- GRAP 16: Investment property
- GRAP 17: Property, plant and equipment
- GRAP 19: Provisions, contingent liabilities and contingent assets
- GRAP 21: Impairment of Non-Cash Generating Assets
- GRAP 23: Revenue from Non-exchange Transactions
- GRAP 24: Presentation of Budget Information in the Financial Statements
- GRAP 25: Employee Benefits
- GRAP 26: Impairment of Cash Generating Assets
- GRAP 27: Agriculture
- GRAP 31: Intangible Assets
- GRAP 100: Non-current assets held for sale and discontinued operations
- GRAP 101: Agriculture
- GRAP 102: Intangible assets
- GRAP 103: Heritage Assets
- GRAP 104: Financial Instruments
- IGRAP 1: Applying the Probability Test on Initial Recognition of Revenue

### 5.16 MUNICIPAL COST CONTAINMENT MEASURES

#### 5.16.1 Municipal Cost Containment Regulations (MCCR)

National Treasury first published the draft MCCR for public comment on 16 February 2018, with the closing date being 31 March 2018. Comment/input hereon was received from the Department of Cooperative Governance and Traditional Affairs, SALGA, municipalities, and other stakeholders. After extensive consultation and consideration of all

## CHAPTER 5: FINANCIAL PERFORMANCE

comments received, the MCCR were finalised and promulgated on 7 June 2019 in the Government Gazette, with the effective date being 1 July 2019.

### 5.16.2 Municipal Cost Containment Policy

The MCCR does not apply retrospectively, hence, contracts concluded prior to 1 July 2019 will not be impacted and/or applicable in this context. However, if municipalities and municipal entities decided to extend current contracts, these would have to be aligned with the principles outlined in the MCCR and SCM regulations.

Regulation 4(1) of the MCCR requires municipalities and municipal entities to either develop or review their cost containment policies. The MCCR require municipalities to adopt the cost containment policies as part of their budget related policies prior to 30 September 2019. Breede Valley Municipality adopted its Cost Containment Policy on 30 September 2019 and commenced with implementation thereof as from 1 October 2019. The Policy was included in the budget related policies document submitted with the approved 2020-2021 Budget.

### 5.16.3 Cost containment measure and annual cost saving

The effective implementation of the MCCR is the responsibility of the municipal council and the municipal accounting officer. In terms of the cost containment framework provided in the MCCR, which is consistent with the provisions of the MFMA and other government pronouncements, the following cost savings for the financial year are disclosed:

Cost Containment						
Cost Containment Measure	2019/20			2020/21		
	Budget	Total Expenditure	Saving	Budget	Total Expenditure	Saving
	R			R		
Use of consultants	7 005 049.85	5 993 889.45	1 011 160.40	7 338 697.84	5 949 229.96	1 389 467.88
Vehicles used for political office -bearers	0.00	0.00	0.00	0.00	0.00	0.00
Travel and subsistence	937 950.00	462 067.55	475 882.45	129 250.00	56 325.26	72 924.74
Domestic accommodation	308 232.00	147 588.40	160 643.60	29 520.00	19 157.79	10 362.21
Sponsorships, events, and catering	1 080 458.00	2 362 859.60	-1 282 401.60	473 500.00	385 923.63	87 576.37
Communication	3 113 323.00	3 403 692.65	-290 369.65	3 403 693.65	3 319 869.63	-25 758.63
Other related expenditure items	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>12 445 012.85</b>	<b>12 370 097.65</b>	<b>74 915.20</b>	<b>11 265 078.84</b>	<b>9 730 506.27</b>	<b>1 534 572.57</b>

Table 322- Cost containment measure and annual cost saving



# Chapter 6



## CHAPTER 6: AUDITOR-GENERAL FINDINGS

### COMPONENT A: AUDITOR-GENERAL OPINION 2019/20

The following tables provide the details on the audit outcomes for the past two financial years with the corrective steps implemented:

#### 6.1 AUDITOR-GENERAL REPORT 2019/20

##### 6.1.1 Financial performance 2019/20

Auditor-General Report on Financial Performance 2019/20	
Audit Report Status:	Unqualified with no findings
Non-Compliance Issues	Remedial Action Taken
<b>Emphasis of matter:</b>	
<b><u>Restatement of corresponding figures:</u></b>	
<b><u>Material Impairment of receivables:</u></b>	
As disclosed in note 35 to the financial statements, the Municipality provided for impairment of receivables from exchange transactions, amounting to R39.11 million (2018-19: R28.99 million)	Management is continuously strengthening credit control procedures and as a part of that, handed over all long outstanding debtors to legal firms
<b><u>Exceptional litigation:</u></b>	
As disclosed in note 47 of the financial statements the Municipality is a defendant in a R31 million contractual claim and a public liability insurance claim of R7.3 million which the Municipality is opposing. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements	The matter regarding the R31 million contractual claim is ongoing. The Municipality are defending this matter in the High Court.  The R7.3 million refers to the total public liability claims against the Municipality. These claims are currently being assessed by the assessors of the insurance company of the Municipality. Some of the claims have also been referred to the attorneys for further assessment
<b><u>Material losses:</u></b>	
As disclosed in note 53 to the financial statements, material water losses of 4 756 824 units (2018-2019: 2 182 315) were incurred, which represent 31% (2018-2019: 16%) of the total water purchased	This is a shared KPI between the technical and financial department to ensure monitoring and measuring of losses, source to the reservoir as well as between the reservoir and the point of distribution

*Table 323- AG report on financial performance 2019/20*

##### 6.1.2 Service delivery performance for 2019/20

The Auditor-General in its audit report as at 30 June 2020, did not raise any material findings on the usefulness and reliability of the reported performance information for the following strategic objectives:

- SO6 – provide, maintain and assure basic services and social upliftment for the Breede Valley community.

## CHAPTER 6: AUDITOR-GENERAL FINDINGS

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

#### 6.2.1 Financial performance 2020/21

Auditor-General Report on Financial Performance 2020/21	
<b>Audit Report Status:</b>	<b>Unqualified with no findings</b>
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
<b>Emphasis of matter:</b>	
<b>Exceptional litigation:</b>	
<p>As disclosed in note 46 of the financial statements, the municipality is the defendant in a R31 million contractual claim. The municipality is opposing the claim. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements</p>	<p>The matter regarding the R31 million contractual claim is ongoing. The Municipality are defending this matter in the High Court</p>
<b>Material Impairment of receivables:</b>	
<p>As disclosed in note 34 to the financial statements, the Municipality provided for the impairment of receivables from exchange transactions to the amount of R36.4 million (2019-20: R37,45 million).</p> <p>As disclosed in note 34 to the financial statements, the Municipality provided for the impairment of receivables from non-exchange transactions to the amount of R40.73 million (2019-20: R53.06 million)</p>	<p>Management is continuously strengthening credit control procedures and as a part of that, handed over all long outstanding debtors to legal firms.</p> <p>Management is very conservative in writing off debt and strive to create a culture of payment. Debt is only written-off when all available options have been followed. In the past years mostly, indigent debtors have been written-off</p>

*Table 324- AG report on financial performance 2020/21*

#### 6.2.2 Service delivery performance for 2020/21

The Auditor-General in its audit report as at 30 June 2021, did not raise any material findings on the usefulness and reliability of the reported performance information for the following strategic objectives:

- SO6 – assure a sustainable future through sound financial management, continuous revenue growth, corporate governance and risk management practices

## ABBREVIATIONS

### ABBREVIATIONS

<b>AG</b>	Auditor-General	<b>DSBD</b>	Department of Small Business Development
<b>BVM</b>	Breede Valley Municipality	<b>DTI</b>	Department of Trade and Industry
<b>CAPEX</b>	Capital Expenditure	<b>DWAF</b>	Department of Water Affairs and Forestry
	Cape Agency for Sustainable	<b>ECD</b>	Early Childhood Development
<b>CASIDRA</b>	Integrated Development in Rural Areas	<b>EE</b>	Employment Equity
<b>CBD</b>	Central Business District	<b>EM</b>	Executive Manager
<b>CBP</b>	Community Based Planning	<b>EPWP</b>	Extended Public Works Programmes
<b>CDW</b>	Community Development Worker	<b>ERM</b>	Enterprise Risk Management
<b>CFO</b>	Chief Financial Officer	<b>EXECMAN</b>	Executive Management
<b>CWP</b>	Capital Works Program	<b>GAMAP</b>	Generally Accepted Municipal Accounting Practice
<b>CWDM</b>	Cape Winelands District Municipality	<b>GDPR</b>	Gross Domestic Product Rate
<b>DCAS</b>	Department of Cultural Affairs and Sport	<b>GRAP</b>	Generally Recognised Accounting Practice
<b>DCF</b>	District Co-ordinating Forum	<b>HOD</b>	Head of Department
<b>DEDAT</b>	Department of Economic Development and Tourism	<b>HR</b>	Human Resources
<b>DLG</b>	Department of Local Government	<b>HVWUA</b>	Hex Valley Water Users Association
<b>DoA</b>	Department of Agriculture	<b>ICT</b>	Information and Communication Technology
<b>DoE</b>	Department of Education	<b>IDP</b>	Integrated Development Plan
<b>DoH</b>	Department of Housing	<b>IFRS</b>	International Financial Reporting Standards
<b>DoRA</b>	Division of Revenue Act	<b>IGR</b>	Intergovernmental Relations
<b>DoRD</b>	Department of Rural Development	<b>IMFO</b>	Institute for Municipal Finance Officers
<b>DPLG</b>	Department of Provincial and Local Government	<b>KPA</b>	Key Performance Area
<b>DSD</b>	Department of Social Development	<b>KPI</b>	Key Performance Indicator

## ABBREVIATIONS

<b>LED</b>	Local Economic Development	<b>RBAP</b>	Risk Based Audit Plan
<b>LG</b>	Local Government	<b>RSEP</b>	Regional Socio-Economic Programme
<b>MayCo</b>	Executive Mayoral Committee	<b>SAI</b>	Supreme Audit Institute
<b>MBRR</b>	Municipal Budget and Reporting Regulations	<b>SALGA</b>	South African Local Government Association
<b>MEC</b>	Member of the Executive Committee	<b>SAMDI</b>	South African Management Development Institute
<b>MERO</b>	Municipal Economic Review and Outlook	<b>SANRAL</b>	South African National Roads Agency Limited
<b>MFMA</b>	Municipal Finance Management Act (Act No. 56 of 2003)	<b>SAPS</b>	South African Police Services
<b>MGRO</b>	Municipal Governance Review Outlook	<b>SASRIA</b>	South African Special Risks Insurance Association
<b>MIG</b>	Municipal Infrastructure Grant	<b>SCM</b>	Supply Chain Management
<b>MM</b>	Municipal Manager	<b>SDBIP</b>	Service Delivery and Budget Implementation Plan
<b>MMC</b>	Member of Mayoral Committee	<b>SDF</b>	Spatial Development Framework
<b>MPAC</b>	Municipal Public Accounts Committee	<b>SEDA</b>	Small Enterprise Development Agency
<b>MSA</b>	Municipal Systems Act No. 32 of 2000	<b>SEFA</b>	Small Enterprise Finance Agency
<b>mSCOA</b>	Municipal Standard Chart of Accounts	<b>SLA</b>	Service Level Agreement
<b>MTECH</b>	Medium Term Expenditure Committee	<b>SMME</b>	Small, Medium and Micro Enterprise
<b>MTOD</b>	Municipal Transformation and Organisational Development	<b>TASK</b>	Tuned assessment of skills and knowledge
<b>NGO</b>	Non-Governmental Organisation	<b>WCDP</b>	Western Cape Department of Planning
<b>NT</b>	National Treasury	<b>WC DLG</b>	Western Cape Department of Local Government
<b>OPEX</b>	Operating Expenditure	<b>WESGRO</b>	Western Cape Tourism, Trade and Investment Promotion Agency
<b>PMS</b>	Performance Management System	<b>WWTW</b>	Waste Water Treatment Works
<b>PPP</b>	Public Private Partnership		
<b>PPPCOM</b>	Provincial Public Participation and Communication Forum		
<b>PT</b>	Provincial Treasury		

## LIST OF TABLES, FIGURES AND GRAPHS

### LIST OF TABLES

<p>Table 1- Municipal wards ..... 15</p> <p>Table 2- Total number of households..... 18</p> <p>Table 3- Cape Winelands District GDP contribution and average growth rates per municipal area, 2018..... 19</p> <p>Table 4- Breede Valley GDP and employment performance per sector, 2018..... 21</p> <p>Table 5- Municipal challenges..... 25</p> <p>Table 6- Basic services delivery highlights ..... 26</p> <p>Table 7- Basic service delivery challenges ..... 27</p> <p>Table 8- Households with minimum level of basic services ..... 27</p> <p>Table 9- Financial viability highlights..... 28</p> <p>Table 10- Adverse economic conditions having a negative effect on the debt collection efforts of the Municipality Financial viability challenges..... 28</p> <p>Table 11- National KPIs for financial viability and management .29</p> <p>Table 12- Financial overview ..... 29</p> <p>Table 13- Operating ratios ..... 30</p> <p>Table 14- Total capital expenditure ..... 30</p> <p>Table 15- Municipal Transformation and Organisational Development highlights ..... 32</p> <p>Table 16- Municipal Transformation and Organisational Development challenges ..... 32</p> <p>Table 17- Financial competency development: Progress report..33</p> <p>Table 18- Audit outcomes ..... 34</p> <p>Table 19- Key activities linked to the 2021/22 IDP &amp; Budget planning cycle, and 2020/21 PMS implementation cycle ..... 48</p> <p>Table 20- COVID-19 Summary of Key Trends..... 49</p> <p>Table 21- COVID-19 Statistics within BVM Locality..... 50</p> <p>Table 22- COVID-19 Statistics within BVM..... 50</p> <p>Table 23- Roleplayers of the BVM JOC..... 51</p> <p>Table 24- Action plan to address the COVID-19 associated risks53</p> <p>Table 25- COVID-19 Challenges ..... 56</p>	<p>Table 26- Council 2020/21 ..... 59</p> <p>Table 27- Council meetings..... 59</p> <p>Table 28- Executive mayoral committee 2020/21 ..... 60</p> <p>Table 29- Municipal Public Accounts Committee ..... 61</p> <p>Table 30- Council resolutions taken and implemented during 2020/21..... 62</p> <p>Table 31- Administrative governance structure..... 63</p> <p>Table 32- Intergovernmental structures ..... 65</p> <p>Table 33- Joint projects and functions with sector departments. 67</p> <p>Table 34- Labour forum ..... 69</p> <p>Table 35- Ward Committees for 2016-2021..... 76</p> <p>Table 36- Functioning of ward committees..... 77</p> <p>Table 37- Action plan to address the top five risks..... 80</p> <p>Table 38- Approved risk policies and strategies ..... 80</p> <p>Table 39- Strategies ..... 80</p> <p>Table 40- Implementation of the strategies..... 81</p> <p>Table 41- Members of the Audit Committee ..... 82</p> <p>Table 42- Municipal Audit Committee recommendations ..... 84</p> <p>Table 43- Members of the Performance Audit Committee..... 85</p> <p>Table 44- Internal audit coverage plan ..... 86</p> <p>Table 45- Internal audit functions..... 87</p> <p>Table 46- Bid Committee meetings ..... 87</p> <p>Table 47- Attendance of members of Bid Specification Committee ..... 87</p> <p>Table 48- Attendance of members of Bid Evaluation Committee 88</p> <p>Table 49- Attendance of members of Bid Adjudication Committee ..... 88</p> <p>Table 50- Ten highest bids awarded by Bid Adjudication Committee ..... 89</p> <p>Table 51- Awards made by Accounting Officer ..... 89</p> <p>Table 52- Appeals lodged by aggrieved bidders..... 90</p> <p>Table 53- Awards made to local companies..... 91</p> <p>Table 54- Summary of deviations ..... 92</p> <p>Table 55- SCM performance indicators..... 95</p>
--	---

## LIST OF TABLES, FIGURES AND GRAPHS

Table 56-	Status of contracts as of 30 June 2021 .....96	Table 74-	Ensure a healthy and productive workforce and an effective and efficient work environment..... 122
Table 57-	B-BBEE Compliance Performance Information: Management control.....96	Table 75-	Provide democratic, accountable government for local communities and encourage involvement of communities and community organizations in the matters of local government ..... 122
Table 58-	B-BBEE Compliance Performance Information: Skills development .....97	Table 76-	To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism’ ..... 123
Table 59-	B-BBEE Compliance Performance Information: Enterprise and supplier development .....98	Table 77-	To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people . 123
Table 60-	Policies .....99	Table 78-	To provide and maintain basic services and ensure social upliftment of the Breede Valley community .... 128
Table 61-	By-Laws.....99	Table 79-	Service provider performance: Office of the Municipal Manager ..... 129
Table 62-	Website checklist..... 100	Table 80-	Service provider performance: Financial Services..... 133
Table 63-	Communication activities ..... 102	Table 81-	Service provider performance: Strategic Support Services ..... 135
Table 64-	Communication unit..... 103	Table 82-	Service provider performance: Community Services. 136
Table 65-	Budget spending per strategic objective..... 107	Table 83-	Service provider performance: Engineering Services 139
Table 66-	Top Layer SDBIP targets set for 2020/21: Assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practices..... 110	Table 84-	Service provider performance: Public Services..... 141
Table 67-	Top Layer SDBIP targets set for 2020/21: Ensure a healthy and productive workforce and an effective and efficient work environment..... 111	Table 85-	Municipal functions (functional areas)..... 143
Table 68-	Top Layer SDBIP targets set for 2020/21: Provide democratic, accountable government for local communities and encourage involvement of communities and community organizations in the matters of local government ..... 111	Table 86-	Capital projects of ward 1 ..... 143
Table 69-	Top Layer SDBIP targets set for 2020/21: To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism ..... 111	Table 87-	Top four service delivery priorities for wards 1 ..... 144
Table 70-	Top Layer SDBIP targets set for 2020/21: To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people ..... 112	Table 88-	Capital projects of ward 2 ..... 144
Table 71-	Top Layer SDBIP targets set for 2020/21: To provide and maintain basic services and ensure social upliftment of the Breede Valley community ..... 116	Table 89-	Top four service delivery priorities for ward 2..... 145
Table 72-	SDBIP measurement categories ..... 116	Table 90-	Capital projects of ward 3 ..... 145
Table 73-	Assure a sustainable future through sound financial management, continuous revenue growth, corporate governance and risk management practices..... 121	Table 91-	Top four service delivery priorities for ward 3..... 146
		Table 92-	Capital projects of ward 4 ..... 146
		Table 93-	Top four service delivery priorities for ward 4..... 147
		Table 94-	Capital projects of ward 5 ..... 147
		Table 95-	Top four service delivery priorities for ward 5..... 148
		Table 96-	Capital projects of ward 6 ..... 148
		Table 97-	Top four service delivery priorities for ward 6..... 149
		Table 98-	Capital projects of ward 7 ..... 149

## LIST OF TABLES, FIGURES AND GRAPHS

Table 99-	Top four service delivery priorities for ward 7.....	149	Table 131-	Service delivery indicators: Water services .....	168
Table 100-	Capital projects of ward 8 .....	150	Table 132-	Water service delivery levels .....	169
Table 101-	Top four service delivery priorities for ward 8.....	151	Table 133-	Employees: Water services .....	170
Table 102-	Capital projects of ward 9 .....	151	Table 134-	Capital expenditure 2020/21: Water services.....	171
Table 103-	Top four service delivery priorities for ward 9.....	152	Table 135-	Sanitation services highlights .....	172
Table 104-	Capital projects of ward 10 .....	153	Table 136-	Service delivery indicators: Sanitation services .....	173
Table 105-	Top four service delivery priorities for ward 10.....	154	Table 137-	Sanitation service delivery levels .....	174
Table 106-	Capital projects of ward 11 .....	154	Table 138-	Employees: Sanitation services.....	175
Table 107-	Top four service delivery priorities for ward 11.....	154	Table 139-	Capital expenditure 2020/21: Sanitation services.....	176
Table 108-	Capital projects of ward 12 .....	155	Table 140-	Electricity highlights.....	177
Table 109-	Top four service delivery priorities for ward 12.....	155	Table 141-	Electricity challenges .....	177
Table 110-	Capital projects of ward 13 .....	155	Table 142-	Service delivery indicators: Electricity services.....	178
Table 111-	Top four service delivery priorities for ward 13.....	156	Table 143-	Electricity service delivery levels .....	179
Table 112-	Capital projects of ward 14 .....	156	Table 144-	Employees: Electricity services .....	180
Table 113-	Top four service delivery priorities for ward 14.....	157	Table 145-	Capital expenditure 2020/21: Electricity services .....	181
Table 114-	Capital projects of ward 15 .....	157	Table 146-	Refuse removal by population group of head of household (Census 2011).....	181
Table 115-	Top four service delivery priorities for ward 15.....	158	Table 147-	Wards participating in separation at source.....	184
Table 116-	Capital projects of ward 16 .....	159	Table 148-	Service delivery indicators: Waste management (Refuse collections, waste disposal, street cleaning and recycling).....	187
Table 117-	Top four service delivery priorities for ward 16.....	160	Table 149-	Refuse removal service delivery levels.....	188
Table 118-	Capital projects of ward 17 .....	160	Table 150-	Employees: Waste management (Refuse collections, waste disposal, street cleaning and recycling) .....	189
Table 119-	Top four service delivery priorities for ward 17.....	161	Table 151-	Capital expenditure 2020/21: Waste management (Refuse collections, waste disposal, street cleaning and recycling).....	190
Table 120-	Capital projects of ward 18 .....	162	Table 152-	Housing demand list.....	190
Table 121-	Top four service delivery priorities for ward 18.....	162	Table 153-	Informal settlement patterns in BVM.....	191
Table 122-	Capital projects of ward 19 .....	163	Table 154-	Performance on projects: Housing.....	192
Table 123-	Top four service delivery priorities for ward 19.....	163	Table 155-	Service delivery indicators: Housing.....	192
Table 124-	Capital projects of ward 20 .....	164	Table 156-	Households with access to basic housing .....	193
Table 125-	Top four service delivery priorities for ward 20.....	164	Table 157-	Housing waiting list .....	193
Table 126-	Capital projects of ward 21 .....	165	Table 158-	Employees: Housing .....	194
Table 127-	Top four service delivery priorities for ward 21.....	166			
Table 128-	Existing pipelines, reservoirs and towers.....	167			
Table 129-	Water services highlight.....	167			
Table 130-	Water services challenges .....	167			



## LIST OF TABLES, FIGURES AND GRAPHS

Table 159-	Access to free basic services .....	194	Table 189-	Employees: LED, tourism and marketing.....	213
Table 160-	Free basic electricity services to indigent households	194	Table 190-	Breede Valley tourism product portfolio .....	216
Table 161-	Free basic water services to indigent households.....	195	Table 191-	Tourism awareness/events.....	217
Table 162-	Free basic sanitation services to indigent households .....	195	Table 192-	Employees: IDP and PMS.....	223
Table 163-	Free basic refuse removal services to indigent households per type of service .....	195	Table 193-	Membership and outreach statistics .....	224
Table 164-	Roads highlight .....	197	Table 194-	Library highlights.....	225
Table 165-	Roads challenges.....	197	Table 195-	Library challenges .....	226
Table 166-	Tarred (Asphalted) roads .....	197	Table 196-	Service statistics: Libraries .....	226
Table 167-	Gravelled roads .....	198	Table 197-	Employees: Libraries.....	227
Table 168-	Service delivery indicators: Roads.....	198	Table 198-	Capital expenditure 2020/21: Libraries.....	227
Table 169-	Capital expenditure 2020/21: Road.....	199	Table 199-	Status of cemeteries .....	228
Table 170-	Stormwater highlights.....	199	Table 200-	Total burials per area .....	229
Table 171-	Stormwater challenges .....	200	Table 201-	Employees: Cemeteries.....	229
Table 172-	Stormwater infrastructure .....	200	Table 202-	Service delivery indicators: RSEP .....	232
Table 173-	Capital expenditure 2020/21: Stormwater .....	200	Table 203-	Capital expenditure 2020/21: RSEP .....	233
Table 174-	Employees: Roads and stormwater.....	201	Table 204-	Improvements and developments to parks.....	233
Table 175-	Planning strategies .....	202	Table 205-	Parks highlights.....	233
Table 176-	Planning highlights .....	202	Table 206-	Parks challenges.....	233
Table 177-	Building control highlights.....	203	Table 207-	Capital expenditure 2020/21: Parks .....	234
Table 178-	GIS highlights .....	203	Table 208-	Status Quo – AQMP Implementation Plan.....	235
Table 179-	Town planning challenges.....	204	Table 209-	AQ Forum Meetings for the Period 1 July 2020 to 30 June 2021.....	236
Table 180-	Building control challenges.....	204	Table 210-	Table 2: Complaints received for the period 1 July 2020 – 30 June 2021 .....	236
Table 181-	Application status of building plans.....	204	Table 211-	Traffic and licensing highlights .....	238
Table 182-	Applications for land use development.....	204	Table 212-	Traffic and licensing challenges .....	239
Table 183-	Employees: Town planning, building control and GIS .....	206	Table 213-	Service data for traffic services.....	239
Table 184-	LED strategic objectives.....	208	Table 214-	Employees: Traffic services.....	240
Table 185-	Service delivery indicators: LED.....	209	Table 215-	Fire Services and Disaster Management highlights...	241
Table 186-	LED activities & highlights.....	210	Table 216-	Fire Services and Disaster Management challenges..	242
Table 187-	LED challenges.....	211	Table 217-	Service data for Fire Services .....	243
Table 188-	Job creation through EPWP projects .....	212	Table 218-	Employees: Fire services and disaster management.	243
			Table 219-	Capital expenditure 2020/21: Fire services .....	244



## LIST OF TABLES, FIGURES AND GRAPHS

<p>Table 220- Income generated from the resort..... 244</p> <p>Table 221- Holiday resorts and campsites highlights..... 245</p> <p>Table 222- Holiday resorts and campsites challenges ..... 245</p> <p>Table 223- Employees: Holiday resorts and campsites..... 246</p> <p>Table 224- Swimming pools and sportgrounds highlights..... 247</p> <p>Table 225- Swimming pools and sportgrounds challenges..... 247</p> <p>Table 226- Statistics: Swimming pools and sport grounds..... 247</p> <p>Table 227- Service delivery indicators: Swimming pools and sport grounds ..... 248</p> <p>Table 228- Employees: Swimming pools and community halls... 248</p> <p>Table 229- Capital expenditure 2020/21: Swimming pools and sport grounds ..... 249</p> <p>Table 230- Employees: Executive and Council..... 250</p> <p>Table 231- Employees: Office of the Municipal Manager ..... 250</p> <p>Table 232- Capital expenditure 2020/21: Executive and Council 251</p> <p>Table 233- Service delivery indicators: Financial services ..... 253</p> <p>Table 234- Employees: Financial services ..... 254</p> <p>Table 235- Capital expenditure 2020/21: Financial services..... 254</p> <p>Table 236- Service delivery indicators: Human resources..... 256</p> <p>Table 237- Employees: Human resource services ..... 257</p> <p>Table 238- ICT highlights ..... 258</p> <p>Table 239- ICT challenges ..... 258</p> <p>Table 240- Service statistics: ICT ..... 258</p> <p>Table 241- Employees: ICT..... 259</p> <p>Table 242- Capital expenditure 2020/21: ICT..... 259</p> <p>Table 243- Service delivery indicators: Internal Audit and Enterprise Risk Management..... 260</p> <p>Table 244- Employees: Internal Audit and Enterprise Risk Management..... 261</p> <p>Table 245- Employees: Legal Services ..... 262</p> <p>Table 246- Employees: Technical Services: Administration..... 262</p> <p>Table 247- Employees: Technical Services: Building maintenance services ..... 263</p> <p>Table 248- Employees: Mechanical workshop..... 264</p>	<p>Table 249- Employees: Administration and property management ..... 264</p> <p>Table 250- Capital expenditure 2020/21: Community services: Other..... 265</p> <p>Table 251- Capital expenditure 2020/21: Strategic support: Other ..... 265</p> <p>Table 252- Capital expenditure 2020/21: Fleet management..... 265</p> <p>Table 253- Service delivery priorities for 2021/22: Assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practices..... 267</p> <p>Table 254- Service delivery priorities for 2021/22: Ensure a healthy and productive workforce and an effective and efficient work environment ..... 268</p> <p>Table 255- Service delivery priorities for 2021/22: To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism ..... 268</p> <p>Table 256- Service delivery priorities for 2021/22: To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people ..... 269</p> <p>Table 257- Service delivery priorities for 2021/22: To provide and maintain basic services and ensure social upliftment of the Breede Valley community ..... 272</p> <p>Table 258- Service delivery priorities for 2021/22: Provide democratic, accountable government for local communities and encourage involvement of communities and community organizations in the matters of local government ..... 273</p> <p>Table 259- National KPIs: Municipal Transformation and Organisational Development ..... 275</p> <p>Table 260- Highlights: Municipal Transformation and Organisational Development ..... 275</p> <p>Table 261- Challenges: Municipal Transformation and Organisational Development ..... 276</p> <p>Table 262- EE population 2020/21 ..... 276</p> <p>Table 263- Occupational levels..... 277</p> <p>Table 264- Vacancy rate per post (salary) and functional level (June 2020) ..... 278</p>
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## LIST OF TABLES, FIGURES AND GRAPHS

Table 265-	Vacancy rate per senior salary level.....	278	Table 297-	Financial performance: Waste management.....	300
Table 266-	Staff turnover rate as at 30 June 2021.....	279	Table 298-	Financial performance: Other .....	300
Table 267-	Termination categories .....	279	Table 299-	Grant performance for 2020/21 .....	302
Table 268-	Injuries.....	280	Table 300-	Conditional grant (excl. MIG) .....	303
Table 269-	Sick leave .....	281	Table 301-	Reliance on grants.....	303
Table 270-	Approved HR policies.....	282	Table 302-	Summary of largest asset .....	305
Table 271-	HR policies developed.....	283	Table 303-	Summary of 2nd largest asset.....	305
Table 272-	Skills matrix .....	283	Table 304-	Summary of 3rd largest asset.....	306
Table 273-	Details of training implemented.....	284	Table 305-	Liquidity financial ratio.....	306
Table 274-	Skills development.....	285	Table 306-	Financial viability national KPAs .....	307
Table 275-	Budget allocated and spent for skills development... 285		Table 307-	Creditors management .....	309
Table 276-	Personnel expenditure .....	286	Table 308-	Borrowing management.....	309
Table 277-	Personnel expenditure .....	287	Table 309-	Employee costs .....	310
Table 278-	Financial performance 2020/21 .....	290	Table 310-	Repairs and maintenance.....	311
Table 279-	Performance against budgets .....	291	Table 311-	Capital expenditure: New assets programme.....	316
Table 280-	Revenue by vote .....	292	Table 312-	Capital expenditure by funding source .....	317
Table 281-	Revenue by source.....	293	Table 313-	Capital funded by source .....	317
Table 282-	Operational services performance.....	294	Table 314-	Capital expenditure on the 5 largest projects .....	318
Table 283-	Financial performance: Executive and Council .....	294	Table 315-	Municipal Infrastructure Grant (MIG) expenditure on service backlogs.....	319
Table 284-	Financial performance: Finance and administration.. 295		Table 316-	Cash flow.....	321
Table 285-	Financial performance: Internal audit .....	295	Table 317-	Gross outstanding debtors per service .....	321
Table 286-	Financial performance: Community and social services .....	295	Table 318-	Service debtor age analysis.....	322
Table 287-	Financial performance: Sport and recreation .....	296	Table 319-	Actual borrowings.....	323
Table 288-	Financial performance: Public safety.....	296	Table 320-	Municipal investments.....	324
Table 289-	Financial performance: Housing .....	297	Table 321-	Declaration of loans and grants .....	325
Table 290-	Financial performance: Health.....	297	Table 322-	Cost containment measure and annual cost saving.. 327	
Table 291-	Financial performance: Planning and development .. 297		Table 323-	AG report on financial performance 2019/20 .....	329
Table 292-	Financial performance: Road transport .....	298	Table 324-	AG report on financial performance 2020/21 .....	330
Table 293-	Financial performance: Environmental protection .... 298				
Table 294-	Financial performance: Energy sources.....	299			
Table 295-	Financial performance: Water management .....	299			
Table 296-	Financial performance: Waste water management .. 299				

## LIST OF TABLES, FIGURES AND GRAPHS

---

Graph 22: Age analysis of debtors..... 322

### LIST OF FIGURES

Figure 1:	Breede Valley Municipal Area .....	14
Figure 2:	Municipal wards .....	16
Figure 3:	CWD Future Population Growth .....	18
Figure 4:	Breede Valley sectoral GDP and employment contribution, 2018 (%) .....	20

### LIST OF GRAPHS

Graph 1:	Indigent household representation within the municipal area .....	19
Graph 2:	Households with access to basic services .....	28
Graph 3:	Financial overview for 2020/21 .....	30
Graph 4:	Total capital expenditure .....	31
Graph 5:	Overall strategic performance for 2020/21 per strategic objective.....	118
Graph 6:	Water service delivery levels .....	169
Graph 7:	Sanitation service delivery levels .....	175
Graph 8:	Electricity service delivery levels .....	179
Graph 9:	Refuse removal service delivery levels .....	188
Graph 10:	Revenue .....	291
Graph 11:	Operating expenditure .....	291
Graph 12:	Reliance on grants.....	303
Graph 13:	Liquidity ratio .....	307
Graph 14:	Cost coverage .....	308
Graph 15:	Total outstanding service debtors.....	308
Graph 16:	Debt coverage.....	309
Graph 17:	Capital charges to operating expenditure ratio .....	310
Graph 18:	Employee costs ratio .....	310
Graph 19:	Repairs and maintenance ratio .....	311
Graph 20:	Capital funded by source .....	318
Graph 21:	Debt per type of service.....	322



# Annexure A



**BREEDVALLY MUNICIPALITY**  
Annual Financial Statements  
for the year ended 30 June 2021



**AUDITOR-GENERAL  
SOUTH AFRICA**

*Auditing to build public confidence*  
30 November 2021

# BREDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## General Information

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<b>Legal form of entity</b>	Local Municipality
<b>Nature of business and principal activities</b>	The main business operation of the municipality is to engage in local governance activities, which includes promotion of integrated development planning, land, economic and environmental development and supplying of the following services to the community: Housing services - Supply housing to the community and includes the rental of units owned by the municipality to public and staff; Waste management services - The collection, disposal and purifying of waste, refuse and sewerage; Electricity services - Electricity is bought in bulk from Eskom and distributed to the consumers by the municipality; and Water services - Supplying water to the public.
<b>Mayoral committee for the year ended 30 June 2021</b>	
Executive Mayor	Antoinette Steyn
Mayoral committee members	E.Y.Sheldon ( Deputy Executive Mayor) N.Mercuur ( Speaker) S.Goedeman (Chief Whip) R.Farao J. Kritzinger S.J.Mei W.R.Meiring M.Sampson J.F van Zyl J. Von Willingh E.Matjan
<b>Accounting officer</b>	D. McThomas
<b>Chief Financial Officer (CFO)</b>	R. Ontong
<b>Grading of local authority</b>	Councillors Grade 4 Senior Managers Category 5 Personnel Grade 4  Civic Centre
<b>Registered office</b>	Baring Street Worcester 6850
<b>Postal address</b>	Private Bag X3046 Worcester 6849
<b>Bankers</b>	Nedbank Limited
<b>Auditors</b>	Auditor-General of South Africa



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

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## Index

The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

	<b>Page</b>
Accounting Officer's Responsibilities and Approval	4
Report of the Auditor General	5
Accounting Officer's Report	6 - 7
Statement of Financial Position	8
Statement of Financial Performance	9
Statement of Changes in Net Assets	10
Cash Flow Statement	11
Statement of Budget Comparison	12 - 15
Accounting Policies	16 - 48
Notes to the Annual Financial Statements	49 - 107
Appendixes:	
Appendix A: Schedule of External loans	108-109
Appendix B: Analysis of Property, Plant and Equipment	110-113
Appendix C: Statistical Information	114
Appendix D: Disclosure of Grants and Subsidies in terms of the MFMA	115-116
Appendix E: A2- Budget Financial Performance (revenue & expenditure by standard classification)	117
Appendix F: A3- Budget Financial Performance (revenue & expenditure by Municipal Vote)	118
Appendix G: A4- Budget Financial Performance (revenue & expenditure)	119
Appendix H: A5- Budgeted Capital Expenditure by vote, standard classification and funding	120
Appendix I: Budgeted Cash Flows	121
Appendix J: Deviations from ratifications and minor breaches of procurement process	122-125
Appendix K: Schedule of investments as at 30 June 2021	126-127



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Index

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COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)





# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Accounting Officer's Responsibilities and Approval

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The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are responsible for reporting on the fair presentation of the annual financial statements and related financial information.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122 (3) of the Municipal Finance Management Act (Act 56 of 2003).

The annual financial statements are based upon appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and places considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2022 and, in the light of this review and the current financial position, he is satisfied that the municipality has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements are prepared on the basis that the municipality is a going concern and that the Breede Valley Municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

Although the Accounting Officer is primarily responsible for the financial affairs of the municipality, he is supported by the municipality's internal auditors.

The annual financial statements set out on page 6 to 107, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2021.



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**Accounting Officer**  
**31 August 2021**





## Report of the Auditor General

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To the Provincial Legislature of BREEDE VALLEY MUNICIPALITY

**Auditor-General of South Africa**  
**Registered Auditors**  
**Partner's name**  
**Additional description**  
**Additional description**

**01 March 1900**



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Accounting Officer's Report

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The accounting officer submits his report for the year ended 30 June 2021.

### 1. Review of activities

#### Main business and operations

Breede Valley Municipality is situated in the Western Cape Province, 120 km north-east of Cape Town. Included in its boundaries are Worcester, Rawsonville, De Doorns and Touwsrivier and surrounding rural areas. It covers 3 833 sq. km and is home to 176 578 people as per the 2016 community survey.

The municipality is set between three mountain ranges, incorporating some of the most valuable and fertile agricultural land in the country. The area is endowed with a diverse cultural history, regional accessibility and unique natural beauty that attract a great number of tourists.

The financial position of the municipality is described to be sound, with an accumulated surplus of R2 144 160 282 (2020:R2 086 402 388) at year-end.

Net surplus of the municipality was R 52 784 162 (2020: net surplus R148 081 574). The overall summarised operating results for the municipality in comparison to the approved budget are shown in the Statement of Financial Performance and also reflect a summary of income and expenditure.

### 2. Going concern

We draw attention to the fact that at 30 June 2021, the municipality had an accumulated surplus of R 2 144 160 282 and that the municipality's assets exceed its total liabilities by R 2 144 160 282.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The solvency analysis show that assets cover the liabilities by 431.88 % (2020 : 426.67%). The coverage indicates that the municipality operates as a going concern. Refer to note 58 of the annual financial statements.

### 3. Subsequent events

The accounting officer is not aware of any matter or circumstance arising since the end of the financial year.

### 4. B-BBEE Performance

In terms of Section 13G read with regulation 12 of the B-BBEE Act, all spheres of government, public entities and organs of state must report on their compliance with broad-based black economic empowerment within their Annual Financial Statements and Annual Report. Refer to note 64 of the annual financial statements.

### 5. Accounting policies

The annual financial statements prepared in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury.

### 6. Borrowing, investments and cash

The accounting officer may after approval of the Council exercise all the powers of the municipality to borrow money, as he considers appropriate needs. Interest-bearing debt did not increase in the year ended 30 June 2021. In the financial year ended 30 June 2021 the municipality redeemed interest-bearing debt of R 11 701 567. The interest paid on borrowings as a percentage of total expenditure is 2.26% (2020: 2.52%).

Investments as at 30 June 2021 amounted to R 101 414 454 (2020: R15 419 904). Investments and cash and cash equivalents increased from R162 139 413 to R190 762 199. Additional information regarding cash and cash equivalents, investments and loans are provided in notes 3, 10, 20 and Appendix A to the financial statements.

### 7. Capital expenditure

The capital expenditure incurred during the year 2021 amounted to R124 587 687 (2020: R 195 480 918) that represented 92.14% (2020: 80.55%) of the approved capital budget of R135 218 755 (2020: R 242 685 912). A complete analysis of capital expenditure (budgeted and actual) per functional area is included in Appendix H (A5), while Appendix B contains detail according to the asset class. More details regarding external loans used to finance fixed assets are shown in Appendix A.

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Accounting Officer's Report

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### 8. Cash flow analysis

Details of major changes in the nature of the municipality during the year were as follows:

Summary of net cash flows	2021	2020
Net cash flow from operating activities	157 815 236	259 643 582
Net cash flow from investing activities	(203 620 792)	(197 529 058)
Net cash flow from financing activities	(11 566 209)	(10 261 855)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(57 371 765)</b>	<b>51 852 669</b>

### 9. Credit rating

The municipality was rated by Moody's Investor Services during the 2019/20 financial year. Their rating and outlook for the municipality was a Ba2.za rating due to the negative outlook on South African sovereign rating. To monitor our credit rating and capacity for long-term financing we consider various qualitative and quantitative factors. At 30 June 2021 and 30 June 2020 the current ratio was 1.82 and 1.65 respectively. This reflects a increase in the ratio.

### 10. Accounting Officer

The accounting officer of the municipality during the year under review of this report is as follows:

Name	Nationality
D. McThomas	South African

### 11. Auditors

Auditor-General of South Africa will continue in office for the next financial period as per the Public Audit Act.



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Statement of Financial Position as at 30 June 2021

Figures in Rand	Note(s)	2021	2020 Restated*
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	3	89 347 744	146 719 509
Receivables from exchange transactions	4	92 483 529	97 766 130
Statutory receivables	5	23 309 354	32 086 054
Other receivables from non exchange	6	4 809 859	1 908 121
Other receivables from exchange transactions	7&5	7 513 582	7 511 837
Inventories	8	8 667 705	10 431 542
Short term investments	10	101 414 454	15 419 904
Long term receivables	15	1 840 485	1 967 548
Operating lease asset	9	419 027	377 503
		<b>329 805 739</b>	<b>314 188 148</b>
<b>Non-Current Assets</b>			
Investment property	11	63 875 500	47 144 500
Property, plant and equipment	12	2 353 159 954	2 319 644 320
Intangible assets	13	4 090 147	4 181 530
Heritage assets	14	36 631 059	36 631 059
Long term receivables	15	2 657 566	3 313 512
		<b>2 460 414 226</b>	<b>2 410 914 921</b>
<b>Total Assets</b>		<b>2 790 219 965</b>	<b>2 725 103 069</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables from exchange transactions	16	102 468 165	100 109 690
Consumer deposits	17	4 366 711	4 231 352
Unspent conditional grants and receipts	18	4 195 613	19 739 244
Housing advances	19	-	2 039 797
Long term liabilities	20	18 447 673	17 433 217
Employee benefit obligation	21	48 320 987	43 960 275
Provisions	22	3 207 983	3 206 387
		<b>181 007 132</b>	<b>190 719 962</b>
<b>Non-Current Liabilities</b>			
Long term liabilities	20	179 138 853	192 179 568
Employee benefit obligation	21	175 260 497	151 408 176
Provisions	22	110 653 201	104 392 979
		<b>465 052 551</b>	<b>447 980 723</b>
<b>Total Liabilities</b>		<b>646 059 683</b>	<b>638 700 685</b>
<b>Net Assets</b>		<b>2 144 160 282</b>	<b>2 086 402 384</b>
Accumulated surplus		2 144 160 282	2 086 402 384

\* See note 54



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Statement of Financial Performance

Figures in Rand	Note(s)	2021	2020 Restated*
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Service charges	23	636 910 226	616 294 814
Sales of Goods and rendering of services	24	8 535 548	3 992 775
Income from agency services	25	9 820 328	7 770 194
Construction contracts		-	1 774 312
Licenses and permits		2 017 427	2 210 624
Rental income	26	6 479 325	10 625 205
Operational Revenue	27	6 775 903	5 165 294
Finance Income	28	16 180 357	18 674 249
<b>Total revenue from exchange transactions</b>		<b>686 719 114</b>	<b>666 507 467</b>
<b>Revenue from non-exchange transactions</b>			
<b>Taxation revenue</b>			
Availability charges		7 145 750	5 749 666
Property rates	29	155 976 506	145 106 782
Property rates - penalties imposed and collection		1 521 045	1 689 082
<b>Transfer revenue</b>			
Government grants & subsidies	30	221 389 902	287 137 061
Fines, Penalties and Forfeits	31	30 303 766	51 034 163
<b>Total revenue from non-exchange transactions</b>		<b>416 336 969</b>	<b>490 716 754</b>
<b>Total revenue</b>		<b>1 103 056 083</b>	<b>1 157 224 221</b>
<b>Expenditure</b>			
Employee related costs	32	(350 318 961)	(323 564 467)
Remuneration of councillors	33	(18 421 282)	(18 412 764)
Depreciation and amortisation	35	(88 548 817)	(87 488 922)
Bulk purchases	36	(337 524 383)	(318 841 906)
Finance costs	37	(22 350 843)	(23 642 881)
Inventory consumed		(26 166 198)	(26 974 576)
Contracted services	38	(73 166 367)	(64 400 623)
Operating lease		(8 760 238)	(7 876 097)
Grants and subsidies paid	39	(4 452 402)	(5 163 293)
Operational Costs	40	(49 964 443)	(51 645 041)
Agency fees paid	41	(8 132 156)	(7 545 498)
Construction expenditure		-	(1 774 312)
<b>Total expenditure</b>		<b>(987 806 090)</b>	<b>(937 330 380)</b>
<b>Operating surplus</b>		<b>115 249 993</b>	<b>219 893 841</b>
Gain/(loss) on disposal of assets and liabilities		421 699	(409 084)
Fair value adjustments	42	16 816 932	2 049 369
Actuarial gains/(losses)	21	(2 673 944)	16 985 099
Debt Impairment	34	(77 129 900)	(90 508 645)
Inventory gains/(losses)		99 382	70 994
<b>Total other gains or (losses)</b>		<b>(62 465 831)</b>	<b>(71 812 267)</b>
<b>Surplus for the year</b>		<b>52 784 162</b>	<b>148 081 574</b>

\* See note 54



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
<b>Balance at 01 July 2019</b>	<b>1 929 352 131</b>	<b>1 929 352 131</b>
Changes in net assets		
Net income (losses) recognised directly in net assets	8 968 679	8 968 679
Surplus for the year *	148 081 574	148 081 574
Total changes	157 050 253	157 050 253
<b>Restated* Balance at 01 July 2020</b>	<b>2 086 402 388</b>	<b>2 086 402 388</b>
Changes in net assets		
Net income (losses) recognised directly in net assets	4 973 732	4 973 732
Surplus for the year	52 784 162	52 784 162
Total changes	57 757 894	57 757 894
<b>Balance at 30 June 2021</b>	<b>2 144 160 282</b>	<b>2 144 160 282</b>

\* The surplus for the 2019/20 year has been restated. Refer to note 54 for the prior period error corrections.

\* See note 54



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Cash Flow Statement

Figures in Rand	Note(s)	2021	2020 Restated*
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Cash flows from services and rate payers		804 485 477	766 506 027
Cash flows from government and other grants		205 046 731	288 457 474
Finance income:investing activities		15 185 807	18 475 307
		<u>1 024 718 015</u>	<u>1 073 438 808</u>
<b>Payments</b>			
Cash paid to employees		(343 201 154)	(320 066 856)
Cash paid to suppliers		(496 573 689)	(464 569 207)
Finance costs		(22 675 534)	(23 995 870)
Grants paid		(4 452 402)	(5 163 293)
		<u>(866 902 779)</u>	<u>(813 795 226)</u>
<b>Net cash flows from operating activities</b>	44	<u><b>157 815 236</b></u>	<u><b>259 643 582</b></u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	12	(123 788 148)	(195 295 922)
Proceeds from sale of property, plant and equipment	12	3 994 229	(409 084)
Long term receivables		1 143 127	(1 824 052)
Increase/ decrease in investment		(85 000 000)	-
Investment property additions		30 000	-
		<u>(203 620 792)</u>	<u>(197 529 058)</u>
<b>Net cash flows from investing activities</b>		<u><b>(203 620 792)</b></u>	<u><b>(197 529 058)</b></u>
<b>Cash flows from financing activities</b>			
Repayment of long term liabilities		(11 701 568)	(10 409 868)
Movement in consumer deposits		135 359	148 013
		<u>(11 566 209)</u>	<u>(10 261 855)</u>
<b>Net cash flows from financing activities</b>		<u><b>(11 566 209)</b></u>	<u><b>(10 261 855)</b></u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u><b>(57 371 765)</b></u>	<u><b>51 852 669</b></u>
Cash and cash equivalents at the beginning of the year		146 719 509	94 866 840
<b>Cash and cash equivalents at the end of the year</b>	3	<u><b>89 347 744</b></u>	<u><b>146 719 509</b></u>

\* See note 54





**BREEDIE VALLEY MUNICIPALITY**  
**Annual Financial Statements for the year ended 30 June 2021**  
**STATEMENT OF BUDGET COMPARISON**  
**WC025 Breede Valley - Reconciliation of Table A1 Budget Summary**

Description	2020/21										2019/20
	Original Budget	Budget Adjustments (i.L.o. MFMA s28)	Adjustment Budget 28 April 2021	Approved Virements (Budget Virement Policy 2020/2021)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousands	1	2	3	4	5	6	7	8	9	10	14
<b>Financial Performance</b>											
Property rates	146 998	-	146 998	-	146 998	155 977		8 978	106,1%	106,1%	145 107
Service charges	646 947	(2 500)	644 447	-	644 447	644 056		(391)	99,9%	99,6%	622 044
Investment revenue	3 112	2 888	6 000	0	6 000	9 718		3 718	162,0%	312,3%	12 001
Transfers and subsidies	208 112	(36 898)	171 213	0	171 213	188 007		(3 206)	98,1%	80,7%	141 850
Other own revenue	150 326	3 396	153 721	(0)	153 721	92 652		(61 070)	60,3%	51,6%	91 210
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 155 495</b>	<b>(33 115)</b>	<b>1 122 380</b>	<b>0</b>	<b>1 122 380</b>	<b>1 070 409</b>		<b>(51 971)</b>	<b>95,4%</b>	<b>92,6%</b>	<b>1 012 212</b>
Employee costs	317 416	7 277	324 693	(2 967)	321 726	319 700		(2 027)	99,4%	100,7%	297 258
Remuneration of councillors	18 780	692	19 473	-	19 473	18 421		(1 051)	94,6%	98,1%	18 413
Depreciation & asset impairment	95 246	-	95 246	(6 000)	89 246	88 561		(686)	99,2%	93,0%	87 496
Finance charges	23 653	-	23 653	-	23 653	22 351		(1 302)	94,5%	94,5%	23 643
Materials and bulk purchases	346 130	20 416	366 545	1 513	368 058	363 591		(4 467)	98,6%	105,0%	345 745
Transfers and grants	65 605	(57 447)	8 158	25	8 182	4 452		(3 730)	54,4%	6,8%	6 938
Other expenditure	208 045	51 450	259 495	5 201	264 696	253 931		(10 765)	95,9%	122,1%	231 699
<b>Total Expenditure</b>	<b>1 074 875</b>	<b>22 388</b>	<b>1 097 264</b>	<b>(2 229)</b>	<b>1 095 035</b>	<b>1 071 008</b>		<b>(24 027)</b>	<b>97,8%</b>	<b>99,6%</b>	<b>1 011 192</b>
<b>Surplus/(Deficit)</b>	<b>80 619</b>	<b>(55 503)</b>	<b>25 117</b>	<b>2 229</b>	<b>27 345</b>	<b>(598)</b>		<b>(27 944)</b>	<b>-2,2%</b>	<b>-0,7%</b>	<b>1 020</b>
Transfers recognised- capital	82 337	(28 869)	53 468	(0)	53 468	52 563		(895)	98,3%	63,9%	146 877
Contributions recognised - capital & contributed assets	1 147	450	1 597	-	1 597	800		(798)	50,1%	69,7%	185
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>164 104</b>	<b>(63 922)</b>	<b>80 182</b>	<b>2 229</b>	<b>82 410</b>	<b>52 764</b>		<b>(29 626)</b>	<b>64,1%</b>	<b>32,2%</b>	<b>148 082</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-		-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>164 104</b>	<b>(63 922)</b>	<b>80 182</b>	<b>2 229</b>	<b>82 410</b>	<b>52 764</b>		<b>(29 626)</b>	<b>64,1%</b>	<b>32,2%</b>	<b>148 082</b>
<b>Capital expenditure &amp; funds sources</b>											
<b>Capital expenditure</b>	83 484	(28 419)	55 065	-	55 065	53 383		(1 683)	96,9%	63,9%	147 062
Transfers recognised - capital	-	-	-	-	-	-		-	-	-	-
Public contributions & donations	-	-	-	-	-	-		-	-	-	159
Borrowing	-	-	-	-	-	-		-	-	-	48 260
Internally generated funds	16 429	63 724	80 153	-	80 153	71 205		(8 948)	88,8%	433,4%	195 481
<b>Total sources of capital funds</b>	<b>99 914</b>	<b>35 305</b>	<b>135 219</b>	<b>-</b>	<b>135 219</b>	<b>124 588</b>		<b>(10 631)</b>	<b>92,1%</b>	<b>124,7%</b>	<b>195 481</b>
<b>Cash flow</b>											
Net cash from (used) operating	34 810	1 880	36 690	-	36 690	157 815		121 125	430,1%	453,4%	259 644
Net cash from (used) investing	(99 864)	(32 917)	(132 780)	-	(132 780)	(203 621)		(70 841)	153,4%	203,9%	(197 529)
Net cash from (used) financing	(11 652)	-	(11 652)	-	(11 652)	(11 566)		85	99,3%	99,3%	(10 262)
<b>Cash/cash equivalents at the year end</b>	<b>23 325</b>	<b>30 652</b>	<b>53 978</b>	<b>-</b>	<b>53 978</b>	<b>89 348</b>		<b>35 370</b>	<b>165,5%</b>	<b>383,0%</b>	<b>146 720</b>



**BREDE VALLEY MUNICIPALITY**  
Annual Financial Statements for the year ended 30 June 2021

**Statement of Budget Comparison**

**Material Variance Explanations 30 June 2021**

Description	Final Budget 30 June 2021	Revenue/ Opex/ Capex 30 June 2021	Variances greater than 5%/ R50 000 [over/(under)]	Reasons for Material Deviations	Impact on Service Delivery
<b>Revenue By Source</b>					
Property rates	146 998 200,00	155 976 505,52	6,11	Over collection on property rates due to the annual billing that was done in the month of July.	Positive
Investment revenue	6 000 010,00	9 717 714,19	61,96	Access funds (own as well as unspent grants) has been invested in line with the funds and reserves policies.	Positive
Other own revenue	153 721 466,00	92 651 683,13	-39,73	The provision for Bad Debts: Traffic Fines was reduced as a result of fewer outstanding traffic fine debtors.	None
<b>Expenditure By Type</b>					
Remuneration of councillors	19 472 643,00	18 421 282,03	-5,40	Municipal Councillors are currently still remunerated on the 2019/2020 Gazette.	None
Finance charges	23 653 200,00	22 350 842,63	-5,51	Finance charges for 2020/2021 are less than anticipated.	None
Transfers and grants	8 182 268,00	4 452 402,23	-45,58	Expenditure on Housing Projects are less than anticipated.	Negative
<b>Capital Expenditure</b>					
<b>Technical Services</b>					
<b>Not Allocated to Wards</b>					
<b>Reservoirs</b>					
Pre-loads	1 464 778,00	1 310 904,87	-153 873,13	BV 817/2020 Construction of 20 Ml Service Reservoir cancelled due to insufficient counter funding	May influence future development
<b>Resealing of Roads</b>					
Resealing of Municipal Roads - De Doorns	3 314 510,00	2 880 745,23	-433 764,77	Savings. Project completed	None
<b>Networks</b>					
Replacement of Water Network (Roll-over)	1 000 000,00	936 914,15	-63 085,85	Savings. Project completed	None
<b>Electricity (8112)</b>					
Refurbishment of electrical system	1 700 000,00	490 865,00	-1 209 135,00	Delay with project. Budget rolled over to 2021/22 fin year	None
Area Lighting	1 147 275,00	929 224,20	-218 050,80	Savings. Project completed	None
<b>Ward 7</b>					
High to Protea Str. slip lane	640 000,00		-640 000,00	Contract awarded 17 June. Budget Rolled over to 2021/22	None
<b>Ward 8</b>					
Replace 11 Kv cable from Mc Allister to Field Sub (1 800 m @ 185 mm Al PILC)	3 964 301,00	2 909 910,64	-1 054 390,36	Delay with project. Budget rolled over to 2021/22 fin year	None
Erosion Protection of Hex River : Phase 2 ( 300m @ R13 333,33/m)	1 432 718,00	754 636,10	-678 081,90	Contract awarded. Budget Rolled over to 2021/22	None
<b>Ward 12</b>					
Ward12 - Upgrading of gravel roads	227 233,00	104 000,00	-123 233,00	Contract awarded. Budget Rolled over to 2021/22	None
<b>SERVICE CONNECTIONS (Depending on Public Contr)</b>					
Sewer Connections	1 120 000,00		-1 120 000,00	Spending only on application for new connections	None
Electricity Connections	260 659,00	180 200,28	-80 458,72	Spending only on application for new connections	None
Water Connections	2 719 200,00	1 713 750,50	-1 005 449,50	Spending only on application for new connections	None



**Statement of Budget Comparison**

**Material Variance Explanations 30 June 2021**

Description	Final Budget 30 June 2021	Revenue/ Opex/ Capex 30 June 2021	Variances greater than 5%/ R50 000 [over/(under)]	Reasons for Material Deviations	Impact on Service Delivery
<b>Land Infill Developments</b>					
Site A - Meirings Park (Erven 1, 6920, 6921) Water	292 085,00	233 189,13	-58 895,87	Savings. Project completed	None
Site A - Meirings Park (Erven 1, 6920, 6921) Sewer	876 009,00	652 756,80	-223 252,20	Savings. Project completed	None
Site A - Meirings Park (Erven 1, 6920, 6921) Electricity	1 974 206,00	1 718 881,66	-255 324,34	Savings. Project completed	None
Site D - Avian Park (25 Erven) Roads	257 109,00		-257 109,00	Contract awarded. Budget rolled over to 2021/22 fin year	None
Site D - Avian Park (25 Erven) Stormwater	275 000,00		-275 000,00	Contract awarded. Budget rolled over to 2021/22 fin year	None
<b>Municipal Manager</b>					
<b>Project Management -0615</b>					
Sewer connection for neighbourhood centre in Riverview	450 000,00	305 873,33	-144 126,67	INEP funding. Project completed. Savings to be re-allocated to new project	None
<b>Community Services</b>					
<b>ADMIN - 0903</b>					
Youth Café	600 000,00	253 727,07	-346 272,93	Project completed. Work done internally by own dept's	None
<b>FIRE DEPARTMENT: ADMIN - 4203</b>					
Fire Fighting Equipment - Donated Assets	450 000,00	799 540,00	349 540,00	Additional donated assets not budgeted for	Improvement with additional items
Fire Station: De Doorns	1 324 039,00	794 307,30	-529 731,70	Expenditure in 2019/20 financial year. Mig project. Bridging finance supplied by BVM ---	None
<b>FINANCIAL SERVICES</b>					
<b>Admin</b>					
Computer Equipment	200 000,00		-200 000,00	Delay in delivery as a result of shortage of micro processors. Budget rolled over	Low. Risk of equipment failure
<b>Financial Planning</b>					
Safeguarding of Assets	672 000,00	91 923,78	-580 076,22	Tender for Elec substation alarms not completed in time	High. Safety of substations at risk
Insurance claims	1 128 000,00	344 495,00	-783 505,00	Delay in delivery of Generator. Funds rolled over	None
<b>SCM</b>					
FS SCM - Upgrade of new municipal offices	3 332 929,00	3 065 727,61	-267 201,39	Project completed	None
<b>STRATEGIC SUPPORT SERVICES</b>					
<b>WORCESTER TOWN HALL</b>					
Town Hall Roof	100 000,00		-100 000,00	Intended to repair or replace townhall roof but budget was too small for total cost hence project stopped.	Delay in repairs/replacement



**Statement of Budget Comparison**

**Material Variance Explanations 30 June 2021**

Description	Final Budget 30 June 2021	Revenue/ Opex/ Capex 30 June 2021	Variances greater than 5%/ R50 000 [over/(under)]	Reasons for Material Deviations	Impact on Service Delivery

**Virements to Final Adjustment Budget (Reconciliation of Budget Summary)**

**Revenue By Source**

Investment revenue	Changes between the Final Budgeted amounts and the Approved Adjustment Budget of 28 April 2021: Virements was approved by the Municipal Manager and/or the Chief Financial Officer, and it was done in line with the Approved Budget Virement Policy of 2020/2021.
Transfers and subsidies	
Transfers recognised- capital	
Other own revenue	

**Expenditure By Type**

Employee costs	Changes between the Final Budgeted amounts and the Approved Adjustment Budget of 28 April 2021: Virements was approved by the Municipal Manager and/or the Chief Financial Officer, and it was done in line with the Approved Budget Virement Policy of 2020/2021.
Depreciation & asset impairment	
Materials and bulk purchases	
Transfers and grants	
Other expenditure	

**Capital Expenditure**

Total Capital Expenditure	Changes between the Final Budgeted amounts and the Approved Adjustment Budget of 28 April 2021: Virements was approved by the Municipal Manager and/or the Chief Financial Officer, and it was done in line with the Approved Budget Virement Policy of 2020/2021.
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**Cash Flow**

Cash/ Cash Equivalents at the year end.	Changes between the Final Budgeted amounts and the Approved Adjustment Budget of 28 April 2021: Virements was approved by the Municipal Manager and/or the Chief Financial Officer, and it was done in line with the Approved Budget Virement Policy of 2020/2021.
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# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand. All figures are rounded to the nearest Rand.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting policies, which have been consistently applied except where exemption has been granted, are disclosed below.

The accounting policies applied are consistent with those used to present the previous year's financial statements.

The financial statements have been prepared on a going concern basis.

#### 1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

#### 1.2 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

##### Receivables

The municipality assesses its receivables for impairment at the end of each reporting period. The calculation of the impairment of trade receivables is based on a payment percentage assessment of the individual debtors of the municipality. If an individual debtor has a payment percentage of more than 80%, impairment is not considered. In instances where the payment percentage is less than 80% the individual debtor is impaired based on the actual non-payment percentage of the outstanding debt.

##### Allowance for slow moving, damaged and obsolete inventory

An assessment is made of net realisable value at the end of each reporting period. An allowance are made to write inventory down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell of certain inventory items. The write down is included in the surplus.

##### Fair value estimation

The carrying value less impairment provision of receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the municipality for similar financial instruments.

The fair value of long-term receivables is estimated by discounting the future contracted cash flows at the prime interest rate.

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.2 Significant judgements and sources of estimation uncertainty (continued)

#### Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

#### Value in use of cash generating assets

Cash generating assets are assets held with the primary objective of generating a commercial return.

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including economic factors such as inflation and interest.

Non-cash generating assets are assets other than cash generating assets

The municipality reviews and tests the carrying value of non-cash generating assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and the nature of the impairment.

#### Provisions

Provisions were raised and management determined an estimate based on the following information:

Professional engineers were utilised to determine the cost of rehabilitation of landfill sites, as well as the remaining useful life of each Landfill site. Additional disclosure of these estimates of provisions are included in note 20 - Provisions.

#### Useful lives of Property, Plant and Equipment and Other Assets

The municipality's management determines the estimated useful lives and related depreciation charges for property, plant and equipment and other assets. This estimate is based on industry norm and on the pattern in which an asset's future economic benefits or service potential is expected to be consumed by the municipality.

At the end of each reporting period the municipality assesses whether there is any indication that the municipality's expectations about the residual value and the useful life of Property, Plant and Equipment has changed since the preceding reporting period. If any such indication exists, the municipality revises the useful life and/or the residual value. These changes are accounted for as a change in accounting estimate and are disclosed in the notes to the financial statements relating to the change in estimates in terms of the Standard of GRAP on accounting policies, changes in estimates and errors.





# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.2 Significant judgements and sources of estimation uncertainty (continued)

#### Post-retirement benefits and other long-term benefits

The present value of the post retirement obligation and other long-term employee obligations is actuarially determined by independent qualified actuaries on an annual basis. The present value depends on a number of factors, including but not limited to discount rates, expected rate of return on assets, future salary increases, mortality rates and future pension increases, that are determined on an actuarial basis. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the obligations. In determining the appropriate discount rate, the municipality considers market yields at the reporting date on government bonds. Where there is no deep market in government bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments, the municipality uses current market rates of the appropriate term to discount shorter term payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve.

Other key assumptions for post-retirement and other long-term employee obligations are based on current market conditions. Additional information is disclosed in note 21.

#### Long Service Awards

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

Actuarial gains and losses arising from the adjustments and changes in actuarial assumptions is recognized in the Statement of Financial Performance in the period that it occurs.

#### Staff Leave Accrual

The Municipality provides for annual leave as they accrue to employees. The liability is based on the total amount of leave days accrued to employees at year end and the total remuneration package of the employee.

Accumulating leave is carried forward and can be used in future periods if the current year's entitlement is not used in full. The provision will be realized as employees take leave or when employment is terminated, whereupon the leave accrued to the employee that has not been used, is paid out.

#### Performance Bonus Accrual

The Municipality recognizes a provision relating to the anticipated costs of performance bonuses payable to Section 57 employees, as the costs accrue to the specific employees. Municipal bonus provisions are based on the employment contract stipulations and previous performance bonus trends.

#### 13th Cheque Accrual

The Municipality recognizes a provision relating to the anticipated costs of 13<sup>th</sup> Cheques as they accrue to employees. The liability at year end is based on the bonus accrued to each employee at yearend.

#### Effective Interest Rate

The municipality used the prime rate to discount future cash flows.

#### Allowance for impairment

On receivables an impairment loss is recognized in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the receivables carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition

# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.3 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services; or for
- administrative purposes; or
- sale in the ordinary course of operations.

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

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Subsequent to initial measurement investment property is measured at fair value.

#### Fair value

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

If the entity determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably measurable when construction is complete, it measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). If the entity determines that the fair value of an investment property (other than an investment property under construction) is not reliably determinable on a continuing basis, the entity measures that investment property using the cost model (as per the accounting policy on Property, plant and equipment). The residual value of the investment property is then assumed to be zero. The entity applies the cost model (as per the accounting policy on Property, plant and equipment) until disposal of the investment property.

Once the entity becomes able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, it measures that property at its fair value. Once construction of that property is complete, it is presumed that fair value can be measured reliably. If this is not the case, the property is accounted for using the cost model in accordance with the accounting policy on Property, plant and equipment.

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal. Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable

The municipality separately discloses expenditure to repair and maintain investment property in the notes to the annual financial statements (See Note 10)



# BREDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.4 Property, plant and equipment

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

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost or fair value of the item can be measured reliably.

Property, plant and equipment are initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

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

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

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the municipality is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Subsequent to initial measurement property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

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Item	Depreciation method	Average useful life
Land		Indefinite
Buildings	Straight line	
• Buildings		10 - 100 years
• Recreational facilities		15 - 100 years
Infrastructure	Straight line	
• Cemeteries		25 - 60 years
• Electricity		5 - 25 years
• Housing		20 - 100 years
• Landfill sites		1 - 55 years

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# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.4 Property, plant and equipment (continued)

• Pedestrian Malls		20 years
• Roads and paving		50 - 80 years
• Security		3 - 25 years
• Sewerage		15 - 75 years
• Water		15 - 100 years
Other property, plant and equipment	Straight line	
• Furniture and fixtures		2 - 20 years
• Special property, plant and equipment		5 - 20 years
• Specialist vehicles		5 - 30 years
• Other equipment		5 - 20 years
• Other vehicles		5 - 30 years

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the municipality to amend the previous estimate unless expectations differ from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

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

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Compensation from third parties for an item of property, plant and equipment that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the annual financial statements (see note 11).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements. See Note 11.

### 1.5 Site restoration and dismantling cost

The municipality has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities'. The cost of an item of property, plant and equipment includes:

- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located;
- changes in the measurement of an existing decommissioning, restoration and similar liability that result from change in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in discount rate; and
- the obligation the municipality incurs for having used the items during a particular period for purposes other than to produce inventories during that period.

The related asset is measured using the cost model:

- (a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period;
- (b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and
- (c) if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of cash-generating assets and/or impairment of non-cash-generating assets.

# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.6 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from the municipality and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the municipality intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

Intangible assets are initially measured at cost.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale;
- there is an intention to complete and use or sell it;
- there is an ability to use or sell it;
- it will generate probable future economic benefits or service potential;
- there are available technical, financial and other resources to complete the development and to use or sell the asset; and
- the expenditure attributable to the asset during its development can be measured reliably.

Subsequent to initial measurement Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Right to access water	99 years
Computer software, other	3-5 years



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.6 Intangible assets (continued)

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible assets is the difference between the net disposal proceeds and the carrying amount and is included in surplus or deficit when the asset is derecognised.

### 1.7 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

#### Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

Where the municipality holds a heritage asset, but on initial recognition it does not meet the recognition criteria because it cannot be reliably measured, information on such a heritage asset is disclosed in note 14.

#### Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

#### Subsequent measurement

Subsequent to initial measurement classes of heritage assets are carried at cost less any accumulated impairment losses.

#### Impairment

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

#### Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

#### Derecognition

The municipality derecognises heritage assets on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is the difference between the net disposal proceeds and the carrying amount and is included in surplus or deficit when the item is derecognised.

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

#### Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Long term receivables	Financial asset measured at fair value
Short term receivables	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Other receivables from non exchange transaction	Financial asset measured at amortised cost
Other receivables from exchange transaction	Financial asset measured at amortised cost

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Long term liabilities	Financial liability measured at amortised cost
Payables from exchange transactions	Financial liability measured at amortised cost
Consumer deposits	Financial liability measured at amortised cost
Unspent Conditional grants	Financial liability measured at amortised cost

#### Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

#### Initial measurement of financial assets and financial liabilities

The municipality measures a financial asset and financial liability initially at its fair value plus, in the case of a financial asset or a liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability

The municipality first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the municipality analyses a concessionary loan into its component parts and accounts for each component separately. The municipality accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

#### Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.





# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.8 Financial instruments (continued)

#### Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the entity establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the municipality uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, the municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

Short-term receivables and payables are not discounted where the initial credit period granted or received is consistent with terms used in the public sector, either through established practices or legislation.

#### Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

#### Impairment and uncollectibility of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

For amounts due to the municipality, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment.

#### Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Where financial assets are impaired through the use of an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. When such financial assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

#### Financial assets measured at cost:

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



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.8 Financial instruments (continued)

#### Derecognition

##### Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
  - derecognises the asset; and
  - recognises separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

##### Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expired or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

### 1.9 Leases

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

When a lease includes both land and buildings elements, the municipality assesses the classification of each element separately.

#### Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term. The difference between the amounts recognised as revenue and the contractual payments are recognised as an operating lease asset or liability

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in the statement of financial performance.

# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.9 Leases (continued)

#### Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Any contingent rent is expensed in the period in which they are incurred.

### 1.10 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for:

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

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

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

### 1.11 Value-added Tax (VAT)

The municipality is registered with the South African Revenue Services (SARS) for VAT on the payments basis, in accordance with Section 15(2) of the VAT Act (Act No. 89 of 1991).

### 1.12 Construction contracts and receivables

Construction contract is a contract, or a similar binding arrangement, specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Contractor is an entity that performs construction work pursuant to a construction contract.

Cost plus or cost based contract is a construction contract in which the contractor is reimbursed for allowable or otherwise defined costs and, in the case of a commercially-based contract, an additional percentage of these costs or a fixed fee, if any.

Fixed price contract is a construction contract in which the contractor agrees to a fixed contract price, or a fixed rate per unit of output, which in some cases is subject to cost escalation clauses.



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.12 Construction contracts and receivables (continued)

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

The entity assesses the terms and conditions of each contract concluded with customers to establish whether the contract is a construction contract or not. In assessing whether the contract is a construction contract, an entity considers whether it is a contractor.

Where the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date, as measured by .

Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

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

When it is probable that total contract costs will exceed total contract revenue, the expected deficit is recognised as an expense immediately.

### 1.13 Impairment of cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

Include the criteria how Breede distinguish between cash-generating assets from non-cash generating assets. This is a specific GRAP requirement. In the FAQ's there is a list of possible criterias

#### Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

#### Value in use

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

#### Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.13 Impairment of cash-generating assets (continued)

#### Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

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

#### Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality uses management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the municipality does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.13 Impairment of cash-generating assets (continued)

#### Reversal of impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

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

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

#### Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

### 1.14 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

#### Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also tests non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset is initially recognised during the current reporting period, that intangible asset is tested for impairment before the end of the current reporting period.



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.14 Impairment of non-cash-generating assets (continued)

#### Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

Include the criteria how non-cash generating assets are distinguish. This is a specific GRAP requirement

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

#### Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

#### Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

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

#### Reversal of an impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

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

#### Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.15 Provisions and Contingencies

Provisions are recognised when:

the municipality has a present obligation as a result of a past event;

it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and  
a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus.

If the municipality has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when the municipality:

- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of a activity/operating unit concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for services being terminated;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

A contingent liability is an:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality; or
- present obligation that arises from past events but is not recognised because:
  - it is not probable than an outflow of resources embodying economic benefits or service potential will be required to settle the obligation;
  - the amount of the obligation cannot be measured with sufficient reliability.



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.15 Provisions and Contingencies (continued)

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 46.

#### Decommissioning, restoration and similar liability

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in the discount rate, are accounted for as follows:

The related asset is measured using the cost model:

- changes in the liability are added to, or deducted from, the cost of the related asset in the current period;
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and
- if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the municipality tests the asset for impairment by estimating its recoverable amount or recoverable service amount, and account for any impairment loss, in accordance with the accounting policy on impairment of assets as described in accounting policy 1.13 and 1.14.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability are recognised in surplus or deficit as they occur.

The periodic unwinding of the discount is recognised in surplus or deficit as a finance cost as it occurs.

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.16 Employee benefits

#### Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered a service to the municipality during a reporting period, the municipality recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the municipality recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The municipality measures the expected cost of accumulating compensated absences as the additional amount that the municipality expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The municipality recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the municipality has no realistic alternative but to make the payments.

#### Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which the entity provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

#### Multi-employer plans and/or State plans and/or Composite social security programmes

The municipality classifies a multi-employer plan and/or state plans and/or composite social security programmes as a defined contribution plan or a defined benefit plan under the terms of the plan (including any constructive obligation that goes beyond the formal terms).

Where a plan is a defined contribution plan, the municipality accounts for it in the same way as for any other defined contribution plan.

Where a plan is a defined benefit plan, the municipality accounts for its proportionate share of the defined benefit obligation, plan assets and cost associated with the plan in the same way as for any other defined benefit plan.

When sufficient information is not available to use defined benefit accounting for a plan, that is a defined benefit plan, the municipality accounts for the plan as if it was a defined contribution plan.

# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.16 Employee benefits (continued)

#### Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the municipality pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered services to the municipality during a reporting period, the municipality recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, the municipality recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money are consistent with the currency and estimated term of the obligation.

#### Post-employment benefits: Defined benefit plans

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

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the municipality recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the municipality recognises past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise of assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement.

The amount determined as a defined benefit liability may be negative (an asset). The entity measures the resulting asset at the lower of:

- the amount determined above; and





# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.16 Employee benefits (continued)

- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The municipality determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The municipality recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The municipality uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, the municipality attributes benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, the municipality attributes benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The municipality recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the municipality re-measures the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The municipality offsets an asset relating to one plan against a liability relating to another plan when the municipality has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

### Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.16 Employee benefits (continued)

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
  - those changes were enacted before the reporting date; or
  - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

#### Other long-term employee benefits

The municipality has an obligation to provide long-term service allowance benefits to all of its employees.

The municipality's liability is based on an actuarial valuation. The Projected Unit Credit Method is used to value the liabilities. Actuarial gains and losses on the long-term service awards are recognised in the statement of financial performance.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The municipality recognises the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses;
- past service cost; and
- the effect of any curtailments or settlements.

#### Termination benefits

The entity recognises termination benefits as a liability and an expense when the municipality is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The entity is demonstrably committed to a termination when the municipality has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes (as a minimum):

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than twelve months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer.



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.17 Statutory receivables

#### Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount (for purposes of the Standard of GRAP on Statutory Receivables) means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

#### Recognition

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the accounting policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the accounting policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the accounting policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the municipality and the transaction amount can be measured reliably.

#### Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

#### Subsequent measurement

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

#### Accrued interest

Where the municipality levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the accounting policy on Revenue from exchange transactions or the accounting policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

#### Other charges

Where the municipality is required or entitled to levy additional charges in terms of legislation, supporting regulations, by-laws or similar means on overdue or unpaid amounts, these charges are accounted for in terms of the municipality's accounting policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (taxes and transfers).

#### Impairment losses

The municipality assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the municipality considers, as a minimum, the following indicators:

# BREDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.17 Statutory receivables (continued)

- significant financial difficulty of the receivable, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- it is probable that the receivable will enter sequestration, liquidation or other financial re-organisation.
- a breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced through the use of an allowance account. The amount of the losses are recognised in surplus or deficit.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable, or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

### Derecognition

The municipality derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality:
  - derecognises the receivable; and
  - recognises separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The municipality considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

### 1.18 Revenue from exchange transactions

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

### Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

### Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.





## Accounting Policies

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### 1.18 Revenue from exchange transactions (continued)

#### Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by surveys of work performed.

#### Interest, royalties and dividends

Revenue arising from the use by others of municipal assets yielding interest, royalties and dividends or similar distributions is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Dividends or similar distributions are recognised, in surplus or deficit, when the municipality's right to receive payment has been established.

### 1.19 Revenue from non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

#### Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

#### Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.19 Revenue from non-exchange transactions (continued)

#### Property rates

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Resources arising from taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources.

Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured. The degree of probability attached to the inflow of resources is determined on the basis of evidence available at the time of initial recognition, which includes, but is not limited to, disclosure of the taxable event by the taxpayer.

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

The taxable event for property tax is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Taxation revenue is determined at a gross amount. It is not reduced for expenses paid through the tax system.

#### Transfers

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

#### Debt forgiveness and assumption of liabilities

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

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

#### Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

The municipality makes use of estimates to determine the amount of revenue that it is entitled to collect. Where settlement discounts or reductions in the amount payable are offered, the municipality considers past history in assessing the likelihood of these discounts or reductions being taken up by receivables.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting municipality.

#### Gifts and donations, including goods in-kind

Gifts and donations, including goods in-kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

#### Services in-kind

Services in-kind that are significant to the municipality's operations and/or service delivery objectives are recognised as assets and the related revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the municipality's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the municipality discloses the nature and type of services in-kind received during the reporting period.

# BREDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.19 Revenue from non-exchange transactions (continued)

#### Concessionary loans received

A concessionary loan is a loan granted to or received by the municipality on terms that are not market related.

The portion of the loan that is repayable, along with any interest payments, is an exchange transaction and is accounted for in accordance with the Standard of GRAP on Financial Instruments. The off-market portion of the loan is a non-exchange transaction. The off-market portion of the loan that is recognised as non-exchange revenue is calculated as the difference between the proceeds received from the loan, and the present value of the contractual cash flows of the loan, discounted using a market related rate of interest.

The recognition of revenue is determined by the nature of any conditions that exist in the loan agreement that may give rise to a liability. Where a liability exists the municipality recognises revenue as and when it satisfies the conditions of the loan agreement.

### 1.20 Borrowing costs

Borrowing costs are interest and other expenses incurred by the municipality in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

### 1.21 Accounting by principals and agents

#### Identification

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

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

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

#### Identifying whether an entity is a principal or an agent

When the municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether an municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

#### Binding arrangement

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

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

# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.21 Accounting by principals and agents (continued)

#### Assessing which entity benefits from the transactions with third parties

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

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

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

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

#### Recognition

The municipality, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

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

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

### 1.22 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### 1.23 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### 1.24 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure.

All expenditure relating to irregular expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.





# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.25 Accumulated surplus

The accumulated surplus represents the net difference between the total assets and the total liabilities of the municipality. Any surpluses and deficits realised during a specific financial year are credited/debited against accumulated surplus/deficit. Prior year adjustments, relating to income and expenditure, are debited/credited against accumulated surplus when retrospective adjustments are made.



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.26 Commitments

Items are classified as commitments when the municipality has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation are disclosed in a note to the financial statements, if both the following criteria are met:

- contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- contracts should relate to something other than the routine, steady, state business of the municipality – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

### 1.27 Grant in aid

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

- receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

These transfers are recognised in the statement of financial performance as expenses in the period that the events given raise to the transfer occurred.

### 1.28 Budget information

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 01 July 2020 to 30 June 2021.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

### 1.29 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.30 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality adjusts the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality discloses the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

### 1.31 Housing advances

Compulsory convertible preference shares [Compulsory convertible debentures] are compound instruments, consisting of a liability component and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible debt. The difference between the proceeds of issue of the convertible instruments and the fair value assigned to the liability component, representing the embedded option to convert the liability into equity of the municipality, is included in equity.

Combined units are compound instruments, consisting of a debenture (liability) component and a share (equity) component. The debentures are carried at amortised cost, and any premium or discount on issue is written off over the redemption period using the effective interest rate method.

Issue costs are apportioned between the liability and equity components of the compound instruments based on their relative carrying amounts at the date of issue. The portion relating to the equity component is charged directly against equity.

### 1.32 Segment information

A segment is an activity of a municipality:

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

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

### Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the municipality's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the municipality's financial statements.

### 1.33 Living and non-living resources

Living resources are those resources that undergo biological transformation.



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### Living and non-living resources (continued)

Non-living resources are those resources, other than living resources, that occur naturally and have not been extracted.

Agricultural activity is the management by an municipality of the biological transformation and harvest of biological assets for:

- (a) sale;
- (b) distribution at no charge or for a nominal charge; or
- (c) conversion into agriculture produce or into additional biological assets for sale or distribution at no charge or for a nominal charge.

A bearer plant is a living plant that:

- (a) is used in the production or supply of agricultural produce;
- (b) is expected to bear produce for more than one period; and
- (c) has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Biological transformation (for purposes of this Standard) comprises the processes of growth, degeneration, production, and procreation that cause qualitative or quantitative changes in a living resource.

Carrying amount is the amount at which an asset is recognised after deducting any accumulated depreciation and accumulated impairment losses.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or development and, where applicable, the amount attributed to the asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life.

Depreciable amount is the cost of an asset, or other amount substituted for cost, less its residual value.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Group of resources means a grouping of living or non-living resources of a similar nature or function in an entity's operations that is shown as a single item for the purpose of disclosure in the annual financial statements.

The residual value of an asset is the estimated amount that an municipality would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life.

Useful life is the period over which an asset is expected to be available for use by an municipality, or the number of production or similar units expected to be obtained from the asset by an municipality.

GRAP 110 Living and Non-living Resources became effective on 1 April 2020 and, in accordance with the transitional provisions for the Standard provided in Directive 3, entities are not required to recognise and/or measure living resources for reporting periods beginning on or after a date within three years following the date of initial adoption of the Standard of GRAP subject to the provisions in Directive .3

The municipality is taking advantage of the transitional provisions by not recognising or measuring its Living Resources in accordance with GRAP 110, and, therefore, no disclosures required by GRAP 110 has been made in respect of Living Resources. The municipality has however disclosed information about Non-living Resources in note 62.

No Living Resources are recognised and no preliminary amounts are presented and at reporting date. The municipality intends to fully apply the requirements of GRAP 110 by 30 June 2023.



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.34 Share capital / contributed capital

An equity instrument is any contract that evidences a residual interest in the assets of the municipality after deducting all of its liabilities.

### 1.35 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. Refer to note 50 for detail.

### 1.36 Reclassifications

Reclassification of certain accounts were made in order to comply with the requirements of Municipal Standard Chart of Accounts (MSCOA). The reclassifications have no impact on the net asset value of the municipality.

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. Refer to note 50.



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

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### 2. New standards and interpretations

#### 2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

**GRAP 18: Segment Reporting**

**GRAP 110: Living and non living resources**



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>3. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	13 133	13 134
Bank balances	89 334 611	146 706 375
	<b>89 347 744</b>	<b>146 719 509</b>

For the purpose of the Cash Flow Statement, Cash and cash equivalents includes Cash on hand and cash in banks. Refer to note 63 on the additional disclosures required by the Municipal Finance Management Act where the detail regarding the bank are disclosed.

### Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at banks and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

Credit rating		
Current Account (Ba2)	89 334 611	146 706 375
	-	-
Nedbank (P-1)	45 660 315	10 288 726
Standard Bank (P-1)	20 335 654	5 131 178
Absa (P-1)	25 338 647	-
FNB (P-1)	10 079 838	-
	<b>190 749 065</b>	<b>162 126 279</b>

P-1 Issuers (or supporting institutions) rated Prime-1 have a superior ability to repay short term debt obligations.

P-2 Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short term debt obligations.

P-3 Issuers (or supporting institutions) rated Prime-3 have an acceptable ability to repay short term debt obligations.



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>4. Receivables from exchange transactions</b>		
<b>Gross balances</b>		
Electricity	56 337 031	61 226 567
Housing rental	10 873 997	9 390 056
Housing Selling Schemes	242 341	302 057
Refuse	27 370 110	24 060 343
Sewerage	44 770 368	39 837 075
Sundries	16 008 039	11 933 996
Water	50 023 998	43 748 503
	<b>205 625 884</b>	<b>190 498 597</b>
<b>Less: Allowance for impairment</b>		
Electricity	(3 838 483)	(2 783 959)
Housing Selling schemes	(125 515)	(144 862)
Housing rental	(9 457 815)	(8 369 342)
Refuse	(21 339 270)	(18 558 174)
Sewerage	(34 411 250)	(29 929 761)
Sundries	(12 567 813)	(9 761 156)
Water	(31 402 209)	(23 185 213)
	<b>(113 142 355)</b>	<b>(92 732 467)</b>
<b>Net balance</b>		
Electricity	52 498 548	58 442 608
Housing rental	1 416 182	1 020 714
Housing selling schemes	116 826	157 195
Refuse	6 030 840	5 502 169
Sewerage	10 359 118	9 907 314
Sundries	3 440 226	2 172 840
Water	18 621 789	20 563 290
	<b>92 483 529</b>	<b>97 766 130</b>
<b>Electricity</b>		
Current (0 -30 days)	50 110 959	49 555 189
31 - 60 days	1 136 654	4 036 059
61 - 90 days	798 617	2 280 097
91 - 120 days	292 464	1 763 852
121 - 365 days	3 998 337	3 591 370
Less: Provision for impairment	(3 838 483)	(2 783 959)
	<b>52 498 548</b>	<b>58 442 608</b>
<b>Water</b>		
Current (0 -30 days)	14 323 879	15 381 025
31 - 60 days	2 180 031	3 260 688
61 - 90 days	1 780 202	1 811 921
91 - 120 days	1 781 785	1 629 258
121 - 365 days	29 958 101	21 665 611
Less: Provision for impairment	(31 402 209)	(23 185 213)
	<b>18 621 789</b>	<b>20 563 290</b>





# BREDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>4. Receivables from exchange transactions (continued)</b>		
<b>Sewerage</b>		
Current (0 -30 days)	5 530 255	5 603 735
31 - 60 days	1 537 446	1 936 695
61 - 90 days	1 340 540	1 562 115
91 - 120 days	1 317 951	1 339 545
121 - 365 days	35 044 176	29 394 985
Less: Provision for impairment	(34 411 250)	(29 929 761)
	<b>10 359 118</b>	<b>9 907 314</b>
<b>Refuse</b>		
Current (0 -30 days)	3 221 018	3 171 495
31 - 60 days	896 020	1 112 656
61 - 90 days	806 322	898 047
91 - 120 days	792 500	775 672
121 - 365 days	21 654 250	18 102 473
Less: Provision for impairment	(21 339 270)	(18 558 174)
	<b>6 030 840</b>	<b>5 502 169</b>
<b>Housing Selling Schemes</b>		
Current (0 -30 days)	5 045	5 975
31 - 60 days	1 935	2 637
61 - 90 days	1 475	2 117
91 - 120 days	1 398	1 885
121 - 365 days	232 488	289 443
Less: Provision for impairment	(125 515)	(144 862)
	<b>116 826</b>	<b>157 195</b>
<b>Housing rental</b>		
Current (0 -30 days)	309 744	360 444
31 - 60 days	265 627	258 868
61 - 90 days	218 422	238 096
91 - 120 days	205 486	224 198
121 - 365 days	9 874 718	8 308 450
Less: Provision for impairment	(9 457 815)	(8 369 342)
	<b>1 416 182</b>	<b>1 020 714</b>
<b>Sundries</b>		
Current (0 -30 days)	2 693 384	3 770 608
31 - 60 days	197 815	159 661
61 - 90 days	644 308	119 076
91 - 120 days	790 393	129 218
121 - 365 days	11 682 139	7 755 433
Less: Provision for impairment	(12 567 813)	(9 761 156)
	<b>3 440 226</b>	<b>2 172 840</b>



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>4. Receivables from exchange transactions (continued)</b>		
<b>Summary of debtors by customer classification</b>		
<b>Consumers</b>		
Current (0 -30 days)	57 804 737	59 955 031
31 - 60 days	2 441 222	2 262 514
61 - 90 days	3 872 847	3 735 636
91 - 120 days	4 750 827	4 481 616
121 - 365 days	104 036 924	85 252 994
	<b>172 906 557</b>	<b>155 687 791</b>
<b>Industrial/ commercial</b>		
Current (0 -30 days)	17 059 446	14 808 994
31 - 60 days	3 501 313	5 555 141
61 - 90 days	1 592 847	2 452 561
91 - 120 days	399 965	988 399
121 - 365 days	7 799 204	3 190 291
	<b>30 352 775</b>	<b>26 995 386</b>
<b>National and provincial government</b>		
Current (0 -30 days)	1 330 101	3 084 447
31 - 60 days	272 992	2 949 609
61 - 90 days	124 192	723 272
91 - 120 days	31 185	393 612
121 - 365 days	608 093	664 480
	<b>2 366 563</b>	<b>7 815 420</b>
<b>Total</b>		
Current (0 -30 days)	76 194 284	77 848 473
31 - 60 days	6 215 527	10 767 263
61 - 90 days	5 589 885	6 911 469
91 - 120 days	5 181 976	5 863 627
121 - 365 days	112 444 222	89 107 765
	205 625 894	190 498 597
Less: Allowance for impairment	(113 142 345)	(92 732 467)
	<b>92 483 549</b>	<b>97 766 130</b>
<b>Less: Allowance for impairment</b>		
31 - 60 days	(5 433 289)	(8 863 505)
61 - 90 days	(4 886 386)	(5 689 453)
91 - 120 days	(4 529 813)	(4 826 880)
121 - 365 days	(98 292 858)	(73 352 629)
	<b>(113 142 346)</b>	<b>(92 732 467)</b>
<b>Total debtor past due but not impaired</b>		
31 - 60 days	782 238	1 903 759
61 - 90 days	703 450	1 222 016
91 - 120 days	652 164	1 036 747
121 - 365 days	14 151 363	15 755 135
	<b>16 289 215</b>	<b>19 917 657</b>



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand

2021

2020

### 4. Receivables from exchange transactions (continued)

#### Receivables from exchange transactions impaired

As at 30 June 2021, receivables from exchange transactions with an amount of R 113 142 345 (2020: R 92 732 467) were impaired and provided for.

#### Reconciliation of allowance for impairment

Balance at beginning of the year	(92 732 453)	(70 833 975)
Contributions to allowance	(40 996 379)	(40 489 587)
Debt impairment written off against allowance	20 586 487	18 591 094
	<u>(113 142 345)</u>	<u>(92 732 468)</u>

#### Receivables from exchange transactions past due but not impaired

The Council regards receivables from exchange transactions due for outstanding amounts more than 30 days to be past due. The impairment of receivables from exchange transactions is calculated based on the historic payment rate per individual receivable. It is expected that the trade receivables not impaired will be received by the municipality.

As of 30 June 2021 receivables from exchange transactions of R 16 289 255 (2020: R19 917 658) were past due not impaired.

#### Credit quality of receivables from exchange transactions

The credit quality of consumer debtors that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>5. Statutory Receivables</b>		
<b>Gross balances</b>		
Rates	35 526 607	33 796 798
Traffic fines	31 656 950	62 824 154
Vat receivable	2 371 796	1 162 704
	<b>69 555 353</b>	<b>97 783 656</b>
<b>Less: Allowance for impairment</b>		
Rates	(21 410 239)	(17 292 960)
Traffic fines	(24 835 760)	(48 404 642)
	<b>(46 245 999)</b>	<b>(65 697 602)</b>
<b>Net balance</b>		
Rates	14 116 368	16 503 838
Traffic fines	6 821 190	14 419 512
Vat receivable	2 371 796	1 162 704
	<b>23 309 354</b>	<b>32 086 054</b>
<b>Rates</b>		
Current (0 -30 days)	8 884 749	8 965 652
31 - 60 days	1 393 477	2 996 023
61 - 90 days	926 462	1 404 704
91 - 120 days	792 103	979 268
121 - 365 days	23 529 816	19 451 152
Less: Provision for impairment	(21 410 239)	(17 292 961)
	<b>14 116 368</b>	<b>16 503 838</b>
<b>Summary of rates receivables by customer classification: Rates</b>		
<b>Consumers</b>		
Current (0 -30 days)	7 398 705	6 843 363
31 - 60 days	1 160 407	2 286 825
61 - 90 days	771 504	1 072 192
91 - 120 days	659 618	747 463
121 - 365 days	19 594 272	14 846 805
	<b>29 584 506</b>	<b>25 796 648</b>
<b>Industrial/ commercial</b>		
Current (0 -30 days)	1 298 801	1 660 897
31 - 60 days	203 703	555 016
61 - 90 days	135 433	260 223
91 - 120 days	115 792	181 411
121 - 365 days	3 439 665	3 603 347
	<b>5 193 394</b>	<b>6 260 894</b>
<b>National and provincial government</b>		
Current (0 -30 days)	27 307	490 253
31 - 60 days	14 419	470 633
61 - 90 days	3 538	95 513
91 - 120 days	3 517	55 671
121 - 365 days	699 926	627 185
	<b>748 707</b>	<b>1 739 255</b>

# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>5. Statutory Receivables (continued)</b>		
<b>Total</b>		
Current (0 -30 days)	8 884 749	8 965 652
31 - 60 days	1 393 477	2 996 023
61 - 90 days	926 462	1 404 704
91 - 120 days	792 103	979 268
121 - 365 days	23 529 816	19 451 150
	<u>35 526 607</u>	<u>33 796 797</u>
Less: Allowance for impairment	<u>(21 410 239)</u>	<u>(17 292 961)</u>
	<b>14 116 368</b>	<b>16 503 836</b>
<b>Less: Allowance for impairment</b>		
Current (0 -30 days)	-	-
31 - 60 days	(1 119 842)	(2 086 497)
61 - 90 days	(744 534)	(978 267)
91 - 120 days	(636 559)	(681 984)
121 - 365 days	(18 909 304)	(13 546 213)
	<u>(21 410 239)</u>	<u>(17 292 961)</u>
<b>Total debtor past due but not impaired</b>		
31 - 60 days	273 635	909 526
61 - 90 days	181 928	426 437
91 - 120 days	155 544	297 284
121 - 365 days	4 620 513	5 904 938
	<u>5 231 620</u>	<u>7 538 185</u>
<b>Reconciliation of traffic fines</b>		
Balance at beginning of the year	14 419 512	19 732 691
New receivables: traffic fines	27 366 900	49 985 595
Write-offs	(56 869 685)	(56 782 754)
Payment of old fines	(1 664 420)	(7 212 076)
Provision for impairment movement	23 568 883	8 696 056
	<u>6 821 190</u>	<u>14 419 512</u>
<b>Statutory receivables impaired</b>		
As of 30 June 2021, statutory receivables were impaired by R 46 245 999 (2020: R65 697 602) and provided for.		
<b>Reconciliation of allowance for impairment: Rates</b>		
Balance at beginning of the year	17 292 960	15 154 180
Contributions to allowance	5 742 254	3 060 310
Debt impairment written off against allowance	(1 624 975)	(921 530)
	<u>21 410 239</u>	<u>17 292 960</u>
<b>Reconciliation of allowance for impairment: Traffic Fines</b>		
Balance at beginning of the year	48 404 642	57 100 698
Contributions to allowance	33 300 802	48 086 698
Debt impairment written off against allowance	(56 869 684)	(56 782 754)
	<u>24 835 760</u>	<u>48 404 642</u>



# BREDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand 2021 2020

### 5. Statutory Receivables (continued)

#### Credit quality of statutory receivables

The credit quality of receivables from non-exchange transactions that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

#### Statutory receivables general information

##### Transaction(s) arising from statute

Property rates transactions arises from the Property Rates Act, Traffic fines transactions arises from the AARTO Act and Vat transactions arises from the VAT Act of 1991.

##### Determination of transaction amount

Property rates amounts are determined through tariffs approved yearly by council. Traffic fines amounts are derived from a standardised table of speeding fines which is determined by a magistrate.

##### Interest or other charges levied/charged

Interest is charges on overdue consumer debtors (including property rates) at prime plus 1%.

##### Basis used to assess and test whether a statutory receivable is impaired

The calculation in respect of the impairment of property rates receivable is based on an assessment per account holder taking into account the payment rate, levies billed and payments made. An account with a payment rate of less than 80% is deemed to be impaired and an impairment is raised as the difference between the actual payment rate and 100%. The total collectability of property rates and other services were 95% (2020:92.26%).

The calculation in respect of the impairment of fines receivable is based on an assessment of the past payment history of fines per category. The total average collectability of fines were:

Section 341 Notice	7,93%	10,76%
Section 56 Notice	31,10%	36,58%
Traffic Management Technologies	28,41%	28,26%
Provincial Authority	10,91%	10,45%

### 6. Other receivables from non exchange transactions

#### Gross balances

Availability charges	11 665 802	9 446 514
Traffic revenue receivable	24 670	24 670
Grant receivable	2 486 882	-
Housing board subsidies	598 658	598 658
	<b>14 776 012</b>	<b>10 069 842</b>

#### Less: Allowance for impairment

Availability charges	(9 966 152)	(8 161 722)
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#### Net balance

Availability charges	1 699 650	1 284 792
Traffic revenue receivable	24 670	24 670
Grant receivable	2 486 882	-
Housing board subsidies	598 658	598 658
	<b>4 809 860</b>	<b>1 908 120</b>



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>6. Other receivables from non exchange transactions (continued)</b>		
<b>Availability charges</b>		
Current (0 -30 days)	573 984	484 213
31 - 60 days	1 189 257	278 766
61 - 90 days	220 403	245 585
91 - 120 days	207 672	231 087
121 - 365 days	9 474 486	8 206 863
Less: Provision for impairment	(9 966 152)	(8 161 722)
	<b>1 699 650</b>	<b>1 284 792</b>
<b>Summary of receivables by customer classification</b>		
<b>Consumers</b>		
Current (0 -30 days)	573 984	484 213
31 - 60 days	1 189 257	278 766
61 - 90 days	220 403	245 585
91 - 120 days	207 672	231 087
121 - 365 days	9 474 486	8 206 863
	<b>11 665 802</b>	<b>9 446 514</b>
<b>Industrial/ commercial</b>		
Current (0 -30 days)	-	-
31 - 60 days	-	-
61 - 90 days	-	-
91 - 120 days	-	-
121 - 365 days	-	-
	<b>-</b>	<b>-</b>
<b>National and provincial government</b>		
Current (0 -30 days)	-	-
31 - 60 days	-	-
61 - 90 days	-	-
91 - 120 days	-	-
121 - 365 days	-	-
	<b>-</b>	<b>-</b>
<b>Total</b>		
Current (0 -30 days)	573 984	484 213
31 - 60 days	1 189 257	278 766
61 - 90 days	220 403	245 585
91 - 120 days	207 672	231 087
121 - 365 days	9 474 485	8 206 862
	<b>11 665 802</b>	<b>9 446 514</b>
Less: Allowance for impairment	(9 966 152)	(8 161 722)
	<b>1 699 649</b>	<b>1 284 792</b>
<b>Less: Allowance for impairment : Availability Charges</b>		
Current (0 -30 days)	-	-
31 - 60 days	(1 068 564)	(253 865)
61 - 90 days	(198 035)	(223 648)
91 - 120 days	(186 596)	(210 445)
121 - 365 days	(8 512 957)	(7 473 764)
	<b>(9 966 152)</b>	<b>(8 161 722)</b>



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand 2021 2020

### 6. Other receivables from non exchange transactions (continued)

#### Total receivables past due but not impaired: Availability Charges

31 - 60 days	120 693	24 901
61 - 90 days	22 368	21 937
91 - 120 days	21 076	20 642
121 - 365 days	961 528	733 099
	<u>1 125 665</u>	<u>800 579</u>

#### Other receivables from non-exchange transactions impaired

As of 30 June 2021, other receivables from non-exchange transactions of R 9 966 152 (2020: R8 161 722) were impaired and provided for.

#### Reconciliation of allowance for impairment: Availability Charges

Balance at beginning of the year	(8 161 722)	(6 646 894)
Contributions to allowance	(1 865 812)	(1 609 743)
Debt impairment written off against allowance	61 382	94 915
	<u>(9 966 152)</u>	<u>(8 161 722)</u>

#### Credit quality of receivables from non-exchange transactions

The credit quality of other receivables from non-exchange transactions that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.





# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>7. Other receivables from exchange transactions</b>		
Loans granted	4 837	6 472
Other receivables	79 768	617 602
PAYE	1 145 403	1 145 403
Prepaid expenses	5 515 182	4 842 802
Recoverable expenses	432 660	412 766
Interest receivable	339 580	492 878
Less: Allowance for impairment	(3 848)	(6 086)
	<b>7 513 582</b>	<b>7 511 837</b>

The credit quality of receivables from exchange transactions that are neither past nor due nor impaired can be assessed by reference to external ratings (if available) or to historical information about default rates.

### Reconciliation of allowance for impairment

Opening Balance	(6 086)	(4 124)
Increase in provision for the year	2 238	(1 962)
	<b>(3 848)</b>	<b>(6 086)</b>

### 8. Inventories

Consumable stores	7 956 216	9 819 436
Water stock	711 489	612 106
	<b>8 667 705</b>	<b>10 431 542</b>

Inventories recognised as an expense during the year 16 001 470 13 974 030

### Inventory pledged as security

None of the above Inventory has been pledged as security.

### 9. Operating lease asset (accrual)

Lease asset	419 027	377 503
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### Operating leases - as lessor (income)

Certain of the municipality's property are held to generate rental income. The escalation clauses for the lease income varies between 5% to 10%. Payments received under operating leases are recognised in the statement of financial performance on a straight-line basis over the period of the lease. The straight lining of leases resulted in increased current year income of R 41 524 (2020: increase R 484 660).

### Minimum lease payments due

- within one year	527 333	1 070 901
- in second to fifth year inclusive	207 108	734 441
	<b>734 441</b>	<b>1 805 342</b>



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand 2021 2020

### 10. Short term investments

Other fixed deposits 101 414 454 15 419 904

#### Current assets

Short term portion of investment 101 414 454 15 419 904

Short term fixed deposits are made with various banks for a period from 1 - 12 months. The interest rates earned vary between 3.60 % and 7.60% per annum.

### 11. Investment property

	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	63 875 500	-	63 875 500	47 144 500	-	47 144 500

#### Reconciliation of investment property - 2021

	Opening balance	Disposals	Transfers received	Fair value adjustments	Total
Investment property	47 144 500	(90 500)	364 686	16 456 814	63 875 500

#### Reconciliation of investment property - 2020

	Opening balance	Fair value adjustments	Total
Investment property	44 866 400	2 278 100	47 144 500

#### Pledged as security

None of the above investment property have been pledged as security.

#### Details of property

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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### 11. Investment property (continued)

#### Details of valuation

The effective date of the revaluations was Wednesday, 30 June 2021. Revaluations were performed by an independent valuer, Mr Coenraad Botha of HCB Property Valuations. Mr Botha is a Professional Valuer registered at SACVP. HCB Property Valuations is not connected to the municipality and have recent experience in location and category of the investment property being valued.

The valuation was based on open market value for existing use.

#### Reconciliation of valuation obtained and the valuation included in the financial statements

Amounts recognised in surplus and deficit for the year.

Rental revenue from investment property	295 599	281 400
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#### Maintenance of investment property

In the current year the expenditure on investment property ran through one department which managed all repairs and maintenance on the municipality's structures and therefore an accurate split for the amount of investment properties operating expense could not be made.

#### Repairs and maintenance per class of asset type

##### Preventative maintenance

Buildings	-	5 095
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#### Repairs and maintenance per nature of expenditure

Contracted Services	-	5 095
	-	<b>5 095</b>



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand

### 12. Property, Plant and Equipment

	2021		2020			
	Cost / Valuation	Accumulated depreciation and impairment	Carrying value	Cost / Valuation	Accumulated depreciation and impairment	Carrying value
Buildings	334 100 728	(190 827 700)	143 273 028	321 357 288	(186 064 410)	135 292 878
Infrastructure	3 071 223 805	(1 177 279 283)	1 893 944 522	2 971 330 647	(1 108 047 080)	1 863 283 567
Land	230 882 268	-	230 882 268	233 613 024	-	233 613 024
Other property, plant and equipment	152 591 025	(67 530 889)	85 060 136	148 763 246	(61 308 395)	87 454 851
<b>Total</b>	<b>3 788 797 826</b>	<b>(1 435 637 872)</b>	<b>2 353 159 954</b>	<b>3 675 064 205</b>	<b>(1 355 419 885)</b>	<b>2 319 644 320</b>

### Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Transfers received	Other changes, movements	Depreciation	Total
Buildings	135 292 878	14 768 347	(91 726)	(487 977)	-	(6 208 494)	143 273 028
Infrastructure	1 863 283 566	103 040 310	(14 636)	(308 059)	-	(72 056 659)	1 893 944 522
Land	233 613 024	-	(2 366 070)	(364 686)	-	-	230 882 268
Other property, plant and equipment	87 454 852	6 779 030	(1 100 098)	-	1 590 368	(9 664 016)	85 060 136
<b>Total</b>	<b>2 319 644 320</b>	<b>124 587 687</b>	<b>(3 572 530)</b>	<b>(1 160 722)</b>	<b>1 590 368</b>	<b>(87 929 169)</b>	<b>2 353 159 954</b>

### Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Transfers received	Other changes, movements	Depreciation	Total
Buildings	124 003 626	8 784 244	-	8 271 640	-	(5 766 631)	135 292 879
Infrastructure	1 768 268 223	178 671 862	-	(14 358 785)	-	(69 297 734)	1 863 283 566
Land	233 613 024	-	-	-	-	-	233 613 024
Other property, plant and equipment	76 067 207	8 024 812	(413 992)	6 039 675	9 910 822	(12 173 673)	87 454 851
<b>Total</b>	<b>2 201 952 080</b>	<b>195 480 918</b>	<b>(413 992)</b>	<b>(47 470)</b>	<b>9 910 822</b>	<b>(87 238 038)</b>	<b>2 319 644 320</b>

# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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### 12. Property, Plant and Equipment (continued)

#### Pledged as security

None of the above property, plant and equipment has been pledged as security.

#### Work in progress

The work in progress balances included in the property plant and equipment balance is as follows:

#### The work in progress balances included in the property plant and equipment balance is as follows:

Buildings	10 723 136	2 040 181
Infrastructure	312 059 096	289 986 749
Other Assets	76 800	76 800
	<b>322 859 032</b>	<b>292 103 730</b>

Work in progress balances were mainly as result of projects being multi-year projects and funding challenges experienced.

Many of the projects have also been delayed as a result of Covid 19 and the national lockdown.

The following expenditure was incurred to repair and maintain property plant and equipment:

#### Repairs and maintenance per allocation to asset type

Infrastructure	32 869 365	31 255 648
General Vehicles	7 895 712	8 779 573
Plant and Equipment	3 322 511	3 319 112
Furniture and other Office Equipment	3 674 852	4 015 114
Other Buildings	6 035 494	5 563 788
	<b>53 797 934</b>	<b>52 933 235</b>

#### Repairs and maintenance per nature of expense

Contracted Services	31 034 647	27 822 797
Labour	11 110 472	12 802 318
Material	11 652 815	12 308 120
	<b>53 797 934</b>	<b>52 933 235</b>

#### Change in Accounting Estimate

A review of useful lives was done on assets. During the review certain infrastructure and other property, plant and equipment with nil book values and nil remaining lives were identified. The municipality's management considered how to account for the change in the estimated useful lives. The effect of a change in accounting estimate is required to be recognised prospectively by including it in surplus or deficit in the period of the change, if the change effects that period only; or the period of the change in future periods, if the change effects both. Management concluded that it should apply the change in estimate prospectively from the start of 2021 and therefore the depreciation charge was applied prospectively from 1 July 2020 over the remaining useful life of these assets. The effect of the change in accounting estimate is further disclosed in note 54.

#### Other Information

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Refer to Appendix B for more detail on property, plant and equipment.



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand

2021

2020

### 13. Intangible assets

	2021			2020		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	1 088 817	(717 804)	371 013	1 088 817	(669 173)	419 644
Right of use of water	4 275 264	(556 130)	3 719 134	4 275 264	(513 378)	3 761 886
<b>Total</b>	<b>5 364 081</b>	<b>(1 273 934)</b>	<b>4 090 147</b>	<b>5 364 081</b>	<b>(1 182 551)</b>	<b>4 181 530</b>

#### Reconciliation of intangible assets - 2021

	Opening balance	Amortisation	Total
Computer software	419 645	(48 631)	371 014
Right of use of water	3 761 885	(42 752)	3 719 133
	<b>4 181 530</b>	<b>(91 383)</b>	<b>4 090 147</b>

#### Reconciliation of intangible assets - 2020

	Opening balance	Amortisation	Total
Computer software	627 658	(208 013)	419 645
Right of use of water	3 804 754	(42 869)	3 761 885
	<b>4 432 412</b>	<b>(250 882)</b>	<b>4 181 530</b>

#### Pledged as security

None of the above intangible assets have been pledged as security

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand

2021

2020

### 14. Heritage assets

	2021			2020		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Art	12 575 100	-	12 575 100	12 575 100	-	12 575 100
Books	585 959	-	585 959	585 959	-	585 959
Land	16 770 000	-	16 770 000	16 770 000	-	16 770 000
Buildings	6 700 000	-	6 700 000	6 700 000	-	6 700 000
<b>Total</b>	<b>36 631 059</b>	<b>-</b>	<b>36 631 059</b>	<b>36 631 059</b>	<b>-</b>	<b>36 631 059</b>

### Reconciliation of heritage assets 2021

	Opening balance	Total
Art	12 575 100	12 575 100
Books	585 959	585 959
Land	16 770 000	16 770 000
Buildings	6 700 000	6 700 000
	<b>36 631 059</b>	<b>36 631 059</b>

### Reconciliation of heritage assets 2020

	Opening balance	Total
Art	12 575 100	12 575 100
Books	585 959	585 959
Land	16 770 000	16 770 000
Heritage assets which fair values cannot be reliably measured: (Para .94)		
Other (specify class)	6 700 000	6 700 000
	<b>36 631 059</b>	<b>36 631 059</b>

### Other information

The municipality assessed whether there is an indication that heritage assets need to be impaired. No impairment loss on heritage assets was recognised for the period under review.

No expenditure was incurred to repair and maintain heritage assets.

None of the above heritage assets have been pledged as security.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>15. Long term receivables</b>		
<b>Housing selling schemes loans</b>		
Housing selling schemes	89 359	96 725
Less: Allowance for impairment	(50 310)	(41 882)
	<u>39 049</u>	<u>54 843</u>
<b>Housing loans - personnel</b>		
Housing personnel	<u>112 936</u>	<u>188 351</u>
<b>Arrangements</b>		
Arrangements	10 161 201	10 191 394
Less: Allowance for impairment	(5 815 135)	(5 153 527)
	<u>4 346 066</u>	<u>5 037 867</u>
<b>Less: Current portion transferred to current receivables</b>		
Housing selling schemes	(5 140)	(4 253)
Housing personnel	(6 258)	(18 355)
Arrangements	(4 283 213)	(3 938 257)
	<u>(4 294 611)</u>	<u>(3 960 865)</u>
<b>Less: Current Portion of allowance for impairment transferred to current receivables</b>		
Housing selling schemes	(2 894)	(1 842)
Arrangements	(2 451 232)	(1 991 476)
	<u>(2 454 126)</u>	<u>(1 993 318)</u>
<b>Non-current assets</b>		
Long term receivables- non current portion	2 657 566	3 313 512
Long term receivables - current portion	<u>1 840 485</u>	<u>1 967 548</u>
	<u>4 498 051</u>	<u>5 281 060</u>





# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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### 15. Long term receivables (continued)

#### Housing selling scheme loans

Housing loans are granted to qualifying individuals in terms of the provincial administration's housing programme. These loans attract interest of prime plus 1 % per annum and are repayable over a maximum period of 30 years.

#### Welfare loans

Welfare loans are granted to qualifying organisations in terms of the provincial administration's housing programme. These loans attract interest at prime plus 1% per annum and are repayable over a maximum period of 30 years.

#### Housing loans - Personnel

Housing loans were granted to personnel and attract interest at between 7.5% and 15% per annum and are repayable over periods not exceeding 30 years.

#### Land sales

Loans were granted to individuals for purchasing land from the municipality. These loans attract interest at prime plus 1% and are repayable over periods not exceeding 30 years.

#### Arrangements

The arrangements consist of consumer receivables with whom the council has negotiated repayment terms. These arrangements attract no interest and the repayment periods of up to 30 years.

As of 30 June 2021 long term receivables of R3 411 319 (2020: R3 202 092) were impaired. The individually impaired receivables mainly relate to those receivables who have agreements with the municipality to pay their debt over a long period.

The ageing of these individually impaired receivables is more than 365 days based on the nature of long term receivables.

### 16. Payables from exchange transactions

Credit balances closed	402 190	546 475
Ex Retentions	290 039	290 039
Other payables	2 423 094	1 530 043
Payments received in advance	10 394 166	10 286 221
Retentions	7 112 654	4 527 961
Sundry deposits	754 315	762 441
Trade payables	81 091 707	82 166 510
	<b>102 468 165</b>	<b>100 109 690</b>



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>17. Consumer deposits</b>		
Electricity	2 057 085	1 976 910
Water	2 309 626	2 254 442
	<u>4 366 711</u>	<u>4 231 352</u>

### Guarantees

Guarantees held in lieu of Electricity and Water deposits	<u>20 500</u>	<u>20 500</u>
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Consumer deposits are paid by consumers on application for new water and electricity connections. The deposits are repaid when the water and electricity connections are terminated. Council policy dictates that all accounts are owner accounts. Consumer deposits are refunded to the owner when a house is sold after the municipality has issued a clearance certificate. A clearance certificate will only be issued to the old owner if the municipal account is up to date.

### 18. Unspent conditional grants and receipts

#### Balances at year end

#### Unspent conditional grants and receipts

Unspent grants	<u>4 195 613</u>	<u>19 739 244</u>
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#### Movement during the year

Balance at the beginning of the year	19 739 244	18 233 831
Total Government receipts	217 727 484	294 317 067
Conditions met- capital grants	(53 382 663)	(147 061 761)
Conditions met- operating grants	(168 007 239)	(145 755 908)
Included in other receivables	3 085 031	513 658
From other receivables	(14 966 244)	(507 643)
	<u>4 195 613</u>	<u>19 739 244</u>

The allocations and subsidies received from National and Provincial Government as well the District Municipality, have been deposited into the Council's own bank account. The allocations received have been utilised in accordance with the conditions set. Where all the conditions have not yet been met, the total allocations have not been utilised. The outstanding conditions will be met prior to/or when the balance of the allocations is utilised. The percentage of the allocations utilised is an indication of the conditions met. Where the total of the allocations were utilised, all the conditions have been met. Also refer to Appendix D for further detail regarding unspent conditional grants.



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>19. Housing advances</b>		
<b>Construction contracts in progress at reporting date</b>		
No contract revenue was recognised as revenue for the period (2020: R1 774 312).		
Aggregate amount of costs incurred	-	94 166 096
Amount of advances received	-	2 039 797
Amount of retentions	-	-
	<u>-</u>	<u>96 205 893</u>
Balance unspent at the beginning of year	- 2 039 797	3 067 276
Current year receipts	-	746 833
Conditions met - transferred to revenue	-	(1 774 312)
Transfer refunded	(2 039 797)	-
	<u>-</u>	<u>2 039 797</u>
<b>20. Long term liabilities</b>		
<b>At amortised cost</b>		
Annuity loans	197 586 526	209 612 785
	<u>-</u>	<u>-</u>
	<u>197 586 526</u>	<u>209 612 785</u>
<b>Total other financial liabilities</b>	<u>197 586 526</u>	<u>209 612 785</u>
<b>Non-current liabilities</b>		
At amortised cost	179 138 853	192 179 568
<b>Current liabilities</b>		
At amortised cost	18 447 673	17 433 217



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand

2021

2020

### 21. Employee benefit obligation

#### Reconciliation of employee benefits - 2021

	Opening Balance	Additions	Benefits paid during the year	Total
Post-retirement medical aid benefits	141 036 000	27 942 374	(6 473 374)	162 505 000
Long service awards	19 231 000	4 496 570	(2 209 570)	21 518 000
Performance bonus	1 011 111	1 037 177	(1 011 111)	1 037 177
Staff leave accrual	27 557 767	6 404 764	(1 859 575)	32 102 956
13th cheque accrual	6 532 573	(114 223)	-	6 418 350
	<b>195 368 451</b>	<b>39 766 662</b>	<b>(11 553 630)</b>	<b>223 581 483</b>

#### Reconciliation of employee benefits - 2020

	Opening Balance	Additions	Benefits paid during the year	Total
Post-retirement medical aid benefits	141 719 000	5 529 266	(6 212 266)	141 036 000
Long service awards	19 887 000	1 398 636	(2 054 636)	19 231 000
Performance bonus	947 788	1 011 111	(947 788)	1 011 111
Staff leave accrual	21 734 148	7 253 525	(1 429 906)	27 557 767
13th cheque accrual	6 191 731	340 842	-	6 532 573
	<b>190 479 667</b>	<b>15 533 380</b>	<b>(10 644 596)</b>	<b>195 368 451</b>

#### Non-current employee benefits

Provision for Post-retirement medical aid benefits	155 411 600	134 280 400
Long service awards	19 848 897	17 127 776
	<b>175 260 497</b>	<b>151 408 176</b>

#### Current employee benefits

Provision for Post-retirement medical aid benefits	7 093 400	6 755 600
Long service awards	1 669 103	2 103 224
Performance bonus	1 037 177	1 011 111
Staff leave accrual	32 102 956	27 557 767
13th cheque accrual	6 418 350	6 532 573
	<b>48 320 986</b>	<b>43 960 275</b>

#### Post-Retirement medical aid benefit: Movements

Opening balance	141 036 000	141 719 000
Benefits paid	(6 473 374)	(6 212 266)
Net expense recognised	27 942 374	5 529 266
	<b>162 505 000</b>	<b>141 036 000</b>

#### Post-Retirement medical aid benefit: Net expense recognised

Current service cost	4 779 000	4 956 000
Interest cost	21 307 000	15 543 000
Actuarial losses/(Gains)	1 856 374	(14 969 735)
	<b>27 942 374</b>	<b>5 529 265</b>

#### Long service awards: Movements

Opening balance	19 231 000	19 887 000
Benefits paid	(2 209 570)	(2 054 636)
Net expense recognised	4 496 570	1 398 636
	<b>21 518 000</b>	<b>19 231 000</b>



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>21. Employee benefit obligation (continued)</b>		
<b>Long service awards: Net expense recognised</b>		
Current service cost	1 361 000	1 459 000
Interest cost	2 318 000	1 955 000
Actuarial losses/(Gains)	817 570	(2 015 364)
	<b>4 496 570</b>	<b>1 398 636</b>

### Defined benefit plan

#### Post retirement medical aid plan

Current and continuation members receive a 60% and 70% subsidy respectively of medical and contributions in retirement. The spouse and child dependants of an employee are entitled to a 60% and 70% subsidy respectively of their contributions in the event of the principal members' death in-service. In the event of the death of the principal member, the spouse becomes the principal member.

In 2021: 72% (2020: 69%) of the employees belonged to the above plan. The plan is defined as a post-retirement medical benefit plan.

#### Long service awards

All permanent employees are entitled to a specified number of days additional leave based on their service. The employee may convert the additional leave into a cash amount.

In 2021: 14.57 % (2020:13.32%) of the employees qualified for long service awards.

#### Key assumptions used

The municipality made use of an independent firm to perform the valuation of post-retirement medical aid benefits and long service awards. Boyd Oosthuizen (B.Comm Hons. Actuarial Science) and Julian van der Spuy (B.Comm Actuarial Science) from ZAQ

Consultants and Actuaries were the experts for the valuation. The key assumptions used by the experts are listed below for the last valuation on 30 June 2021:

Post Retirement Medical Aid Benefit: Discount rate	12,01 %	8,72 %
Post Retirement Medical Aid Benefit: Healthcare cost inflation	8,62 %	5,28 %
Long service awards: Discount rates	Yield curve	Yield curve
Long service awards: Discounts salary inflation	CPI+1%	CPI+1.5%

The nominal and real zero curves as at 30 June 2021 supplied by the JSE are the basis used to determine the discount rate and CPI assumptions at each relevant time period.



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand

2021

2020

### 21. Employee benefit obligation (continued)

#### Sensitivity analysis

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

	One percentage point increase	One percentage point decrease
Effect on the service	6 920 000	4 591 000
Effect on defined interest cost	23 175 000	17 641 000
Effect on defined benefit obligation	186 283 000	142 952 000

Assumed salary inflation trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed salary inflation trends rates would have the following effects:

	One percentage point increase	One percentage point decrease
Effect on the service	1 650 000	1 404 000
Effect on defined interest cost	2 443 000	2 119 000
Effect on defined benefit obligation	23 045 000	20 136 000

#### Defined contribution plan

It is the policy of the municipality to provide retirement benefits to all 876 (2020: 876) of its employees. A number of defined contribution provident funds, all of which are subject to the Pensions Fund Act exist for this purpose.

The municipality is under no obligation to cover any unfunded benefits.

The last valuation of the Municipal Workers Retirement Fund (Previously the SAMWU National Provident Fund) was done on 30 June 2019.

The last valuation of the SALA Pension Fund was done on 1 July 2018.

The last valuation of the Consolidated Retirement Fund for Local Government (previously Cape Joint Retirement Fund) was performed on 30 June 2020.

The last valuation of the LA Retirement Fund (previously Cape Joint Pension Fund) was performed on 30 June 2020.

The valuers of the respective funds were satisfied that the plan is in a sound financial position.

Contributions by Council in respect of employees retirement funding. The contributions have been expensed which amounted to R 34 080 106 (2020: R 31 451 270).

Councillors who are elected are members of different pension schemes. The contributions have been expensed which amounted to R1 531 887 (2020: R1 563 234).

#### Contributions to medical aid funds

Contributions to medical aid funds for employees	20 099 374	18 669 342
Contributions to medical aid funds for councillors	311 003	298 700
Contributions to medical aid funds for pensioners	6 473 374	6 212 266
	<b>26 883 751</b>	<b>25 180 308</b>



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand

2021

2020

### 21. Employee benefit obligation (continued)

#### Cape Joint Retirement and Pension Fund for Local Government

This multi-employer fund was established with effect from 1 May 1996 to provide insured death, disability and pension benefits to its members.

The contribution rate for members is 9% of basic salary, whilst the respective Local Authorities are contributing 18%.

This defined benefit plan is accounted for as a defined contribution plan as the municipality's liability in the proportionate share of actuarial gains and losses cannot readily be determined.

The last statutory valuation performed as at 30 June 2020 revealed that the funding level of the share account was 100.5 % and the pension account was 132.2%. At the valuation date the municipality had 779 members (Fund: 50 513 members) and nil pensioners (Fund: 549 pensioners) belonging to the fund.

### 22. Provisions: Landfill Site

#### Reconciliation of provisions - 2021

	Opening Balance	Change in estimates	Closure Cost	Unwinding of the discount	Total
Provision for the rehabilitation of landfill site	104 392 979	2 118 632	-	4 141 590	110 653 201
Closure site	3 206 387	-	1 596	-	3 207 983
	<b>107 599 366</b>	<b>2 118 632</b>	<b>1 596</b>	<b>4 141 590</b>	<b>113 861 184</b>

#### Reconciliation of provisions - 2020

	Opening Balance	Change in estimates	Closure Cost	Unwinding of the discount	Total
Provision for the rehabilitation of landfill site	87 601 261	9 910 826	-	6 880 893	104 392 980
Closure site	1 156 110	-	2 050 277	-	3 206 387
	<b>88 757 371</b>	<b>9 910 826</b>	<b>2 050 277</b>	<b>6 880 893</b>	<b>107 599 367</b>

Non-current liabilities

110 653 201

104 392 979

Current liabilities

3 207 983

3 206 387

**113 861 184**

**107 599 366**

The provision for landfill site for De Doorns was done for a 26.83 year period and the Worcester site for a period of 6.67 years.

Touwsriver is a closure site and is expected to be closed in the following 5 year period. No expenses have been incurred to date and the only movement is the contribution for the year. An assessment was done by JPCE (Pty) Ltd (Specialist Waste Management Consultants), an independent expert.

The unwinding of the provision for landfill site for the current year amounting to R 4 141 590 (2020: R 6 880 893) was included in the rehabilitation figure in the statement of financial performance as well as the Touwsriver closure cost as a provision reversal of R 1 596 (2020: provision of R 2 050 277).



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>23. Service charges</b>		
Electricity	424 662 335	410 800 240
Water	94 071 737	91 640 654
Sewerage and sanitation	76 021 160	73 688 225
Refuse removal	42 154 994	40 165 695
	<b>636 910 226</b>	<b>616 294 814</b>
<b>24. Sales of Goods and Rendering of Services</b>		
Advertisement	73 907	116 866
Building Plan Approval	1 287 314	953 826
Camping Fees	10 287	205 383
Cemetery and Burial	1 611 544	928 996
Clearance Certificate	238 651	195 842
Development Charges	4 491 359	-
Entrance Fees	6 917	1 176 980
Fire Services	142 769	198 595
Photocopies and Faxes	438 129	47 619
Prints	7 116	16 553
Tender Documents	9 000	6 771
Sub-division and Consolidation Fees	95 541	41 945
Recycling of Waste	10 416	11 482
Valuation Services	112 598	91 917
	<b>8 535 548</b>	<b>3 992 775</b>
<b>25. Agency services</b>		
Vehicle Registration	9 415 961	7 542 919
Insurance	404 367	227 275
	<b>9 820 328</b>	<b>7 770 194</b>
<p>The municipality entered into an arrangement with the Department of Transport and Public Works to collect revenue in respect of the registration and licencing of motor vehicles. The municipality has assessed the criteria set out in GRAP 109 par 25 as well as the arrangements entered into and concluded that the municipality is an agent for both of the arrangements. At reporting date the municipality had no debtor for the vehicle registration.</p>		
<b>Reconciliation of the carrying amount of the receivable:</b>		
Opening balance	-	-
Revenue received	52 631 969	41 683 258
Payments made to the department	(52 631 969)	(41 683 258)
	<b>-</b>	<b>-</b>
<b>26. Rental income</b>		
<b>Operating lease rentals</b>		
Housing Rentals	4 230 934	4 635 228
Other rental revenue	2 248 391	5 989 977
	<b>6 479 325</b>	<b>10 625 205</b>





# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>27. Operational revenue</b>		
Incidental Cash surpluses	1 130	3 754
Discounts and early settlements	62 390	-
Breakages and losses recovered	10 625	13 963
Administrative handling fees	5 385 993	4 720 261
Insurance refund	1 131 829	304 420
Merchandising jobbing and contracts	35 008	14 295
Municipal information and statistics	5 463	9 533
Staff Recoveries	143 313	99 038
Request for information	152	30
	<b>6 775 903</b>	<b>5 165 294</b>
<b>28. Finance income</b>		
Bank	9 357 596	12 229 927
Outstanding debtors	6 822 761	6 444 322
	<b>16 180 357</b>	<b>18 674 249</b>
<b>29. Property rates</b>		
<b>Rates received</b>		
Residential	74 278 791	69 430 128
Commercial	40 170 747	37 656 991
State	16 160 851	14 703 588
Small holdings and farms	15 111 986	14 221 297
Other	1 016 562	916 152
Industrial	9 237 569	8 178 626
	<b>155 976 506</b>	<b>145 106 782</b>
<b>Valuations</b>		
	<b>R'000</b>	<b>R'000</b>
Land	6 360 492	6 309 896
Improvements	18 293 403	18 184 734
	<b>24 653 895</b>	<b>24 494 630</b>

The valuations for land and improvements include De Doorns, Rawsonville, Touwsriver, Worcester and rural areas. Valuations on land and buildings are performed every five years. The last general valuation came into effect on 1 July 2016. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations, subdivision and categories.

Rates are levied on an annual and monthly basis with the annual date for payment being 30 September. Interest at prime plus one per annum and a collection fee, is levied on rates outstanding two months after due date. A differentiated rebate up to 100% is granted to owners under certain circumstances. The basic rates for the above mentioned areas were charged for land and improvements at 0.9302 c/R (2020:0.8775 c/R) and for industrial and commercial sites at 1.8603 c/R (2020: 1.7550c/R).



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>30. Government grants and subsidies</b>		
<b>Operating grants</b>		
Equitable share	145 330 000	117 997 000
Financial management grant	1 550 000	1 550 000
Municipal disaster management grant	-	138 000
Other grants and donations	3 076 000	3 215 000
Provincial government	18 051 239	17 175 300
	<u>168 007 239</u>	<u>140 075 300</u>
<b>Capital grants</b>		
Capital grants	53 382 663	147 061 761
<b>Total Government grants &amp; subsidies</b>	<u>221 389 902</u>	<u>287 137 061</u>
<b>Equitable Share</b>		
In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.		
Balance unspent at beginning of year	-	-
Current year receipts	145 330 000	117 997 000
Conditions met- transferred to revenue	(145 330 000)	(117 997 000)
	<u>-</u>	<u>-</u>
<b>Financial Management Grant</b>		
Current-year receipts	1 550 000	1 550 000
Conditions met - transferred to revenue	(1 550 000)	(1 550 000)
	<u>-</u>	<u>-</u>
Conditions still to be met - remain liabilities (see note 18).		
<b>EPWP</b>		
Current-year receipts	3 076 000	3 215 000
Conditions met - transferred to revenue	(3 076 000)	(3 215 000)
	<u>-</u>	<u>-</u>
Conditions still to be met - remain liabilities (see note 18).		
<b>Housing projects</b>		
Balance unspent at beginning of year	3 804 824	6 930 107
Current-year receipts	-	314 000
Conditions met - transferred to revenue	(1 230 217)	-
Other	(24 464)	(3 439 283)
	<u>2 550 143</u>	<u>3 804 824</u>

Conditions still to be met - remain liabilities (see note 18).



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand 2021 2020

### 30. Government grants and subsidies (continued)

#### LGWSETA Staff Development Grant

Balance unspent at beginning of year	-	-
Current-year receipts	456 944	631 121
Conditions met - transferred to revenue	(456 944)	(631 121)
Other	-	-
	<u>-</u>	<u>-</u>

Conditions still to be met - remain liabilities (see note 18).

#### Provincial government

Balance unspent at beginning of year	1 083 112	1 360 000
Current-year receipts	13 370 714	13 555 220
Conditions met - transferred to revenue	(15 864 078)	(14 456 123)
Other	1 917 706	624 015
	<u>507 454</u>	<u>1 083 112</u>

Conditions still to be met - remain liabilities (see note 18).

#### Cape Winelands

Balance unspent at beginning of year	100 000	-
Current-year receipts	1 020 000	2 100 000
Conditions met - transferred to revenue	(500 000)	(2 000 000)
Refunded	(100 000)	-
	<u>520 000</u>	<u>100 000</u>

Conditions still to be met - remain liabilities (see note 18).

Provide explanations of conditions still to be met and other relevant information.

#### Capital Grants

Balance unspent at beginning of year	14 751 308	9 943 724
Current-year receipts	52 923 826	154 728 670
Conditions met - transferred to revenue	(53 382 663)	(147 061 761)
Other	(13 674 455)	(2 859 325)
	<u>618 016</u>	<u>14 751 308</u>

Conditions still to be met - remain liabilities (see note 18).

#### Services in kind

The municipality received services in kind under voluntary or non voluntary schemes which included free training, workshops, cleaning services and technical assistance from government departments and entities. These services have not been recognised as they were assessed not to be significant to the municipality's operations and/or basic service delivery objectives. The cost and fair value of these services in-kind could also not be measured reliably



# BREDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>31. Fines, penalties and forfeits</b>		
Damaged meters	271 729	166 316
Library	3 115	30 529
Traffic fines	30 028 922	50 165 085
Retentions	-	672 233
	<b>30 303 766</b>	<b>51 034 163</b>
<b>32. Employee related costs</b>		
Basic	194 507 939	178 513 428
Group life insurance	2 383 646	1 668 303
Bonus	15 741 425	14 369 458
Medical aid contributions	26 578 754	24 886 883
Unemployment Insurance Fund	1 643 541	1 592 129
Service Related Benefits	30 619 345	26 306 212
Travel and car allowances	9 243 715	9 086 876
Overtime payments	21 115 503	21 610 453
Acting allowances	2 044 155	1 874 612
Housing benefits and allowances	2 214 195	2 044 410
Other Allowances	9 564 401	9 616 197
Contribution to employee benefits	34 662 342	31 995 506
	<b>350 318 961</b>	<b>323 564 467</b>
<b>Municipal Manager: D Mc Thomas</b>		
Annual Remuneration	1 540 628	1 546 896
Car Allowance	95 000	95 000
Performance Bonuses	237 800	237 800
Contributions to UIF, Medical and Pension Funds	51 735	48 831
Group life insurance	12 994	9 631
	<b>1 938 157</b>	<b>1 938 158</b>
<b>Chief Financial Officer: R Ontong</b>		
Annual Remuneration	1 046 031	1 049 110
Car Allowance	158 880	158 880
Performance Bonuses	199 844	194 401
Contributions to UIF, Medical and Pension Funds	210 991	211 351
Group life insurance	13 332	9 902
	<b>1 629 078</b>	<b>1 623 644</b>



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>32. Employee related costs (continued)</b>		
<b>Director - Technical Services: J Steyn</b>		
Annual Remuneration	1 187 459	1 187 459
Car Allowance	240 000	240 000
Performance Bonuses	199 844	194 401
Contributions to UIF, Medical and Pension Funds	1 785	1 785
	<b>1 629 088</b>	<b>1 623 645</b>
<b>Director - Strategic Support Service: R Esau</b>		
Annual Remuneration	987 248	988 577
Car Allowance	205 972	206 880
Performance Bonuses	199 844	194 401
Contributions to UIF, Medical and Pension Funds	236 024	233 787
Group life insurance	12 587	9 342
	<b>1 641 675</b>	<b>1 632 987</b>
<b>Community Service Director: S. Swartz</b>		
Annual Remuneration	981 415	901 150
Car Allowance	192 000	192 000
Performance Bonuses	173 778	126 783
Contributions to UIF, Medical and Pension Funds	181 677	143 057
Group life insurance	12 089	6 846
	-	-
	<b>1 540 959</b>	<b>1 369 836</b>

Employee costs as percentage of total expenditure for 2021 is 35.45% (2020:34.52 %). The industry norm is between 30-35%. This figure excludes the remuneration of councillors, as disclosed in note 33 to the Financial Statements. The remuneration of the employees is within the upper limits of the SALGA Bargaining Council determinations.

### 33. Remuneration of councillors

Executive mayor	805 252	805 252
Deputy Executive Mayor	570 539	642 486
Chief whip	558 924	562 568
Speaker	645 486	645 486
Mayoral committee members	4 966 418	4 950 902
Councillors	9 031 774	8 944 136
Councillors pension contribution	1 531 887	1 563 234
Councillors medical aid contribution	311 003	298 700
	<b>18 421 283</b>	<b>18 412 764</b>



# BREDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand 2021 2020

### 33. Remuneration of councillors (continued)

The remuneration of the political office-bearers and councillors are within the upper limits as determined by the framework envisaged in section 219 of the Constitution.

#### Election of new Deputy Executive Mayor:

The Deputy Executive Mayor, Councillor John Daniël Levendal elected from a party list ceased to be a Councillor of Breede Valley Municipality when he unfortunately died on 16 September 2020. This created a vacancy in council. The municipal manager in compliance with Item 18(1)(b), Schedule 1 of the Municipal Structures Act 117 of 1998, declared the vacancy on 18 September 2020 and duly informed the chief electoral officer.

Councillor Eileen Sheldon was elected as the new Deputy Executive Mayor during a council meeting held on 27 October 2020.

Executive Mayor	Salary	Allowances	Pension fund and Medical Aid	Total
A Steyn	664 991	140 261	132 998	938 250
<b>Deputy Executive Mayor</b>				
JD Levendal	146 239	14 382	29 248	189 869
EY Sheldon	377 147	32 771	86 869	496 787
	<b>523 386</b>	<b>47 153</b>	<b>116 117</b>	<b>686 656</b>
<b>Speaker</b>				
NP Mecuur	569 958	75 529	113 991	759 478
<b>Chief Whip</b>				
Goedeman	483 122	75 801	155 863	714 786
<b>Mayco Members</b>				
R Farao	528 743	80 296	105 749	714 788
JP Kritzinger	552 743	51 496	110 549	714 788
SJ Mei	557 136	80 028	77 623	714 787
WR Meiring	553 440	50 659	110 688	714 787
M Sampson	489 208	104 081	121 499	714 788
EY Sheldon	188 574	16 386	43 434	248 394
JF Van Zyl	543 000	63 187	108 600	714 787
JJ Von Willingh	541 573	115 316	57 898	714 787
ESJ Matjan	420 952	29 600	31 180	481 732
	<b>4 375 369</b>	<b>591 049</b>	<b>767 220</b>	<b>5 733 638</b>
<b>Councillors</b>				
MN Bushwana	220 928	89 772	16 570	327 270
EN Isaacs	243 052	65 989	18 229	327 270
C Ismail	237 498	89 772	-	327 270
JR Jack	262 880	64 390	-	327 270
J Jafta	263 135	44 400	19 735	327 270
P Langata	263 135	44 400	19 735	327 270
ZM Mangali	263 135	44 400	19 735	327 270
T Maridi	263 135	44 400	19 735	327 270
ESC Matjan	87 712	14 800	6 578	109 090
SM Mkhawane	263 135	44 400	19 735	327 270
VI Mngcele	250 587	44 400	32 184	327 171
CM Mohobo	263 135	44 400	19 735	327 270
N Nel	308 716	81 421	17 280	407 417
A Pietersen	253 852	54 379	19 039	327 270
PC Ramokhabi	250 826	44 400	32 044	327 270



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand			2021	2020
<b>33. Remuneration of councillors (continued)</b>				
J Robinson	274 647	44 400	8 223	327 270
IL Tshabile	242 452	66 634	18 184	327 270
P Tyira	237 498	89 772	-	327 270
E van der Westhuizen	234 693	51 318	41 259	327 270
W Vrolick	264 780	44 400	18 090	327 270
TM Wehr	237 498	89 772	-	327 270
NP Williams	235 841	56 461	34 968	327 270
MT Williams	232 531	44 400	50 339	327 270
CF Wilskut	263 135	44 400	19 735	327 270
NJ Wullschleger	263 135	44 400	19 735	327 270
MR Jacobs (Solomons)	276 441	44 400	6 429	327 270
LG Willemse	257 155	44 400	25 715	327 270
TP McThomas	263 135	44 400	19 735	327 270
KDG Benjamin	263 135	44 400	19 735	327 270
F Vaughan	189 570	31 987	14 218	235 775
	<b>7 430 507</b>	<b>1 601 267</b>	<b>556 699</b>	<b>9 588 473</b>
<b>34. Debt impairment</b>				
<b>Impairments</b>				
Receivables from exchange transactions			36 400 562	37 451 114
Receivables from non-exchange transactions			40 729 338	53 057 531
			<b>77 129 900</b>	<b>90 508 645</b>
<b>35. Depreciation and amortisation</b>				
Property, plant and equipment			88 457 434	87 237 837
Amortisation: Intangible assets			91 383	250 881
Impairment			-	-
			<b>88 548 817</b>	<b>87 488 718</b>
<b>36. Bulk purchases</b>				
Electricity - Eskom			328 878 664	312 387 843
Water			8 645 719	6 454 063
			<b>337 524 383</b>	<b>318 841 906</b>
<b>37. Finance costs</b>				
External borrowings			22 350 843	23 642 881
<b>38. Contracted services</b>				
<b>Consultants and Professional Services</b>				
Accounting and Auditing			3 301 711	3 942 802
Audit Committee			68 700	99 857
Human Resources			57 624	116 891
Legal Advice and Litigation			2 196 578	1 361 229
Medical Examinations			28 251	27 277
Research and advisory			526 112	646 640
Infrastructure and planning			11 550	114 358
			<b>6 190 526</b>	<b>6 309 054</b>

# BREDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>38. Contracted services (continued)</b>		
<b>Outsourced Services</b>		
Administrative and Support Staff	213 986	172 211
Alien Vegetation Control	1 672 793	150 300
Animal Care	-	-
Burial Services	807 050	339 209
Business and Advisory	261 168	259 800
Commissions and Committees	-	-
Call Centre	30 800	42 000
Catering Services	36 860	145 807
Clearing and Grass Cutting Services	494 959	387 105
Cleaning Services	-	5 103
Drivers Licence Cards	667 155	549 952
Litter Picking and Street Cleaning	1 475 231	980 060
Hygiene Services	256 368	211 799
Meter Management	1 021 511	1 220 783
Personnel and Labour	12 865 111	14 660 321
Refuse Removal	1 460 943	1 213 896
Sewerage Services	3 123 897	1 784 965
Security Services	18 984	192 159
Translators Scribes and Editors	72 601	51 780
Traffic Fines Management	-	-
Veterinary Services	-	588
Valuer	1 032 251	848 485
Transport Services	58 050	106 700
	<b>25 569 718</b>	<b>23 323 023</b>
<b>Contractors</b>		
Catering Services	-	1 980
Electrical Services	5 618 450	3 162 030
Employee Wellness	-	11 250
Event Promoters	321 740	1 965 650
Gardening Services	91 444	55 850
Graphic Designers	-	50 640
Maintenance of Buildings and Facilities	2 895 474	2 352 976
Maintenance of Equipment	6 254 536	5 236 406
Maintenance of Unspecified Assets	10 650 263	10 217 105
Medical Services	60 891	57 531
Municipal services	-	-
Pest Control and Fumigation	12 000	-
Plants Flowers and Other Decorations	2 930	5 176
Prepaid Electricity Vendors	3 027 850	2 888 968
Tracing Agents and Debt Collectors	88 654	221 797
Transportation	-	5 893
Safeguard and Security	12 377 326	8 535 294
Mint of decorations	4 565	-
	<b>41 406 123</b>	<b>34 768 546</b>
	<b>73 166 367</b>	<b>64 400 623</b>





# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>39. Grants and subsidies paid</b>		
<b>Other subsidies</b>		
Grants in aid	4 452 402	5 163 293
<b>40. Operational cost</b>		
Achievements and Awards	337 839	1 366 905
Advertising, Publicity and Marketing	426 407	634 640
Assets less than the Capitalisation Threshold	74 586	106 232
Drivers Licences and Permits	13 175	8 583
Bank Charges	1 564 725	1 067 337
Bargaining Council	118 293	109 816
Cleaning services	38 466	91 456
Communication - Postage/Stamps	1 464 874	753 790
Communication - Telephone and fax	1 944 993	2 550 098
Courier and Delivery Services	478	3 148
Entertainment	7 665	41 356
External Audit Fees	3 306 736	3 490 134
External Computer Service	9 549 777	6 853 398
Resettlement Cost	-	34 460
Full Time Union Representative	152 205	242 378
Hire Charges	4 098 946	3 610 469
Insurance (Premiums)	4 407 432	3 836 482
Insurance (excess payments)	170 890	226 464
Learnerships and Internships	2 700 131	1 978 192
Licences (Radio and Television)	7 243	19 855
Motor Vehicle Licence and Registrations	986 821	751 805
Storage and archiving	5 648	-
Municipal Services	1 810 939	1 644 332
Printing Publications and Books	56 874	73 190
Professional Bodies Membership and Subscription	3 732 568	3 544 008
Provisions for rehabilitation of landfill sites	4 143 186	8 931 171
Registration fees	29 975	181 923
Remuneration to Ward Committees	1 109 300	1 104 000
Protective clothing	1 618 580	1 326 512
Rewards Incentives	-	1 600
Skills Development Fund Levy	2 683 890	2 698 123
Travel and Subsistence	54 924	449 300
Water Resource Management Charges	760	1 478 729
Workmen's Compensation Fund	1 642 442	1 571 716
Bursaries	1 441 928	749 029
System Access and Information Fees	45 297	32 779
Communication - SMS Bulk Message Service	216 450	79 950
Signage	-	1 681
	<b>49 964 443</b>	<b>51 645 041</b>
<b>41. Agency fees paid</b>		
Prepaid electricity - third party vendor	7 636 140	7 190 586
Easypay	496 016	354 912
	<b>8 132 156</b>	<b>7 545 498</b>



# BREDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>42. Fair value adjustments</b>		
Fair value adjustment on investment property	16 456 814	2 278 099
Other financial assets		
• Discounting of long term receivables: Movement for the year	360 118	(228 730)
	<u>16 816 932</u>	<u>2 049 369</u>
<b>43. Service related benefits</b>		
Performance Bonus	1 037 177	1 011 111
Post retirement medical aid benefit	21 469 000	(683 000)
Long service awards	4 496 570	1 398 636
Provision for leave payments	6 404 764	7 253 525
Provision for 13th cheques	(114 222)	340 842
Actuarial gain/(loss)	(2 673 944)	16 985 099
	<u>30 619 345</u>	<u>26 306 213</u>
<b>44. Cash generated from operations</b>		
Surplus	52 784 162	148 081 573
<b>Adjustments for:</b>		
Depreciation, amortisation and impairment	88 548 817	87 488 922
Loss/ (Profit) on sale of assets and liabilities	(3 994 229)	(4 908)
Loss/(Profit) on disposal of investment property	60 500	-
Carrying value of PPE - derecognised	3 572 530	413 992
Fair value adjustments	(16 816 932)	(2 049 368)
Operating lease straight lining	(41 524)	-
Finance income	(994 550)	(198 942)
Finance costs	(324 691)	(352 989)
Debt impairment	77 569 250	90 508 645
Actuarial gain/loss	2 673 944	(16 985 099)
Movements in retirement benefit assets and liabilities	35 256 319	32 554 971
Movements in provisions	(131 183)	-
Rehabilitation	4 274 369	8 931 173
Inventory losses	(99 382)	(70 994)
Donated assets	(799 540)	(185 000)
Other non-cash items	4 973 737	8 968 679
<b>Changes in working capital:</b>		
Inventories	2 659 255	(3 231 790)
Receivables from exchange transactions	(33 175 738)	(40 845 792)
Receivables from non-exchange transactions	(33 235 951)	(50 335 864)
Short term investments	-	-
Other receivables from non exchange	(1 745)	(2 693 908)
Payables from exchange transactions	2 358 476	(1 027 479)
Unspent conditional grants and receipts	(15 543 631)	1 505 413
(Decrease) / Increase in Housing advances	(2 039 797)	9 816 942
Employee benefit obligation	(9 717 230)	(10 644 595)
	<u>157 815 236</u>	<u>259 643 582</u>



# BREDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>45. Commitments</b>		
<b>Authorised capital expenditure</b>		
<b>Already contracted for but not provided for</b>		
• Infrastructure	15 755 602	7 236 658
• Community	-	924 857
	<b>15 755 602</b>	<b>8 161 515</b>
<b>Total capital commitments</b>		
Already contracted for but not provided for	15 755 602	8 161 515
All capital commitments exclude VAT		
This committed expenditure relates to infrastructure and will be financed through external loans, reserves and grants.		
<b>This Expenditure will be financed from:</b>		
External loans	-	-
Government grant	507 636	8 161 515
Capital replacement reserve	15 247 966	-
	<b>15 755 602</b>	<b>8 161 515</b>
<b>46. Contingent liabilities</b>		
<b>Guarantees</b>		
Guarantee Eskom (Nedbank)	63 400	63 400
Guarantee South Africa Post Office Limited (Nedbank)	180 000	120 000
	<b>243 400</b>	<b>183 400</b>
<b>Legal Matters</b>		
Worcester Land Trust/BVM Case No.3168/6- Contractual claim against the municipality	31 037 841	31 037 841
Workmens Compensation Act- Current investigation about a dispute regarding an outstanding amount due by Council	1 646 110	1 646 110
Public Liability Insurance claims based on quotations and could result in a lesser amount or more. It is the view of management that it is unlikely that these claims will be paid out but might realise due to past experiences.	6 544 459	7 369 857
Claims for damages- it is the view of management that it is unlikely that these claims will be paid out but might realise due to past experiences.	392 439	206 276
Ngadlela / BVM - brought a review application in the Cape High Court for an order against certain decisions taken by BVM i.r.o the valuation of the above property.	16 767	16 767
Salman / BVM - permanent disability claim dispute,	-	132 000
Cartrack / BVM - The plaintiff is claiming the amount for fleet services rendered to the municipality,	433 876	-
	<b>40 071 492</b>	<b>40 408 851</b>



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand 2021 2020

### 47. Related parties

#### Awards and payments to persons with relatives in the service of Breede Valley Municipality

1. DJ X-Zito - Xolile Vas (Spouse/Husband of Nonthando Vas-Employee Number 11028) Nonthando Vas is an Typist/Clerk - Human Resources Department within the Strategic Support Services Directorate of the Breede Valley Municipality	19 890	16 900
2. Lee-Handro Enterprises - Sheryl Manuel ( Spouse/Wife of William Manuel-Employee Number 3431) William Manuel is a General worker - Public Works, Buildings & Structure at the Breede Valley Municipality	160 170	206 190
3. T H Traders - Trevor Human (Brother of Deon Human-Employee Number 3538 ) /( Spouse/Husband of Ashlin Human) Deon Human is a Storeman - Public Works & Parks at the Breede Valley Municipality	24 670	27 000
Ashlin Human is an Accountant - Witzenberg Municipality		
4. T.S Bushwana Taxis - Thamsanqa Bushwana (Father of Letitia Bushwana) Letitia Bushwana is a Clerk at the credit control section within the Breede Valley Municipality	-	16 200
5. Golimas Pty Ltd- Goliath Jacobs (Parent/Father of Brumilda Jacobs - Employee Number 2266 ) Brumilda Jacobs is an Intern - Internal Audit (Office of the Municipal Manager) at the Breede Valley Municipality	45 522	81 700
6. Saadia Neethling Catering Services - Saadia Neethling (Sister to Yusuf Esau) Yusuf Esau is employed by the Breede Valley Municipality as a carpenter	-	14 775
7. April Boukontrakteur - Megan Wehr (sister to Allen Swarts) Allen Swarts is employed by the Breede Valley Municipality as a plumber	-	233 609
8. Hexvallei Sekuriteit - Marius Pheiffer (spouse of Marinda Pheiffer) Marinda Pheiffer is a senior clerk (income) at the Breede Valley Municipality	19 470	15 547
9. Deon Xolile Tshaluza T/A Deon - Pat Marran who is a councillor at BVM is an uncle.	-	3 000
10. African Traders - Nephew Benjamin Van Royeen works for BVM.	-	15 298
11. BDK Technologies (PTY) LTD - father Matheus Boonzaaier used to work for BVM as senior manager SCM	-	4 620
12. Astra Catering - Husband Deon C. Human works for BVM as a storeman at Parks department	-	17 505
13. Alsu Ondernemings BK - Brother Johannes Hendrik Viljoen works for BVM as an Assistant Engineer.	-	749 462
14. Harry's Uphostery - Betronice April who is a daughter works for the traffic department as a Traffic Officer.	6 210	47 530
15. Nuop Pty Ltd - Aubryan Danielle Opperman who is a spouse works for BVM as a general assistant.	363 686	221 675
16. CJ Nasson Maintenance - Jeswill Donavon Nasson who is a son works for BVM as a general assistant	207 005	98 900
17. Worcester breakdown and recovery - Adeeb Ismael works for BVM as a fireman.	323 611	-
18. Lynette Minaar Psychologist - Melissa Laura Kafaar who is a daughter works for BVM as a superintendent solid waste	650	-
	<b>1 170 884</b>	<b>1 769 911</b>

#### Awards and payments to persons with relatives in the service of other Municipalities:

19. Kernanzi (Pty) Ltd - Hazel Du Toit (Wife of Jeremy Du Toit) Jeremy Du Toit is employed by the City of Cape Town as a Traffic Inspector	170 025	550 938
20. Excellence Bodyworks - Ndudumo Elliot Fonk (Father of N.P. Memani) N .P. Memani is employed at Bitou Municipality	1 900	-
21. Vuyani Electrical - Marvin Argulas who is a son is employed at the City of Cape Town as a electrician	141 532	-



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>47. Related parties (continued)</b>		
22. Engineering Advice - Shaun Westerberg who is a brother is employed at Mosselbaai Municipality	46 023	-
	<b>359 480</b>	<b>550 938</b>
<b>Awards and payments to persons with relatives in other State Departments</b>		
23. Faibridges Wertheim Becker - Adela Petersen (Sister to Shaheed Hoofmeester) Shaheed Hoofmeester is employed by the Department of Education	411 349	524 479
24. Masiqhame Trading 77cc - Sandile Gxilishe (father of Simpiwe Gxilishe) Simpiwe Gxilishe is an Educator at the WCED	9 544	51 780
25. Sannicare cc - Izak Majiet (father of Charlton Majiet) Charlton Majiet is employed by the Department of Transport as a supervisor (Test Stations),	1 014 478	810 091
26. W L A CIVILS (PTY) LTD - Maxwell Amos Kekam who is an uncle/Nephew works for SAPS as an Administration Clerk	-	3 800
27. Total Client Services Limited - Nomagcisa Racheal Tsipa Sipoyo is the wife of the CEO and is working for Western Cape Department of Public Works as a Manager Logistics	283 763	310 500
28. Nareng Trading (PTY) LTD - Mardeleen Lebaea who is a spouse of the director works for Dept. of Correctional Services as a security	-	15 000
29. Tau Le Sechaba (PTY) LTD - Mzuvukile Ningi who is a brother in law of the director is a retired magistrate,	-	7 500
30. IThuba Industries - Wendy De Money is a spouse of the director and works for the Dept. of Education as a teacher.	-	59 311
31. Jones and Tyawana Traders - Cousin Phunyezwa Sineli works for Dept. of Correctional Services as a Correctional Officer.	-	25 500
32. Hippo Wassery II - Husband Andrei Abrahams works for SAPS Worcester as a Captain.	-	81 067
33. XKK Corporation (PTY) LTD - Sister Noxolo Charmaine Magwevana works for the Dept. of Correctional Services as a Correctional Service Officer.	95 460	165 853
34. Animal Welfare Society Worcester - Eugene Du Plessis works for the department of Agriculture as a Chief Animal Technician.	-	796 962
35. Canopy Country BK - Mother Madelanie Fourie works for Western Cape Department of Health as an Admin Officer.	1 702	194 120
36. Z Marais T/A Fancy Affairz - Spouse Clarke Marais works for SAPS as an admin clerk	1 890	10 500
37. ADK General Services - Spouse Dunheel Khanje works at SAPS Paarl	33 997	-
38. Elton Shortles Prokureurs - Spouse Anthea Shortles is a lecturer at CPUT	74 635	-
	<b>1 926 818</b>	<b>3 056 463</b>

The total related party payments for the year amounts to R 3 457 182 (2020: R 5 377 312)



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand 2021 2020

### 48. Unauthorised and fruitless and wasteful expenditure

No fruitless and wasteful expenditure was incurred during the financial year ended 30 June 2021.

### 49. Unauthorised expenditure

No unauthorised expenditure was incurred during the financial year ended 30 June 2021.

### 50. Irregular expenditure

No irregular expenditure was incurred during the financial year ended 30 June 2021.

### 51. Deviation from supply chain management regulations

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the Accounting Officer and noted by Council.

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the Accounting Officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them in the next council meeting and includes a note to the annual financial statements.

During the financial year under review goods/services totalling R17 698 410 (2020: R10 104 447) were procured and the process followed in procuring those goods/services deviated from the provisions of paragraph 12(1)(d)(i) as stated above. The reasons for these deviations were documented and reported to the Accounting Officer that considered them and subsequently approved the deviation from the normal supply chain management regulations. The reasons were categorised as sole suppliers, emergency as well as exceptional and impractical cases. The rate based deviations are not included in the balance below as the exact amount cannot be determined upfront however the rate based deviations are kept at anticipated cost and available budget. In the individual deviations the anticipated cost and budget will be detailed. The rate based deviations are detailed in Appendix J.

A detailed list of deviations is disclose in Appendix J and available on the municipality's website.

#### Deviations for year

Emergencies	1 070 461	2 250 551
Sole provider	4 967 501	240 588
Impractical or impossible to follow the SCM process	11 660 448	7 613 308
	<b>17 698 410</b>	<b>10 104 447</b>



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>52. Material losses</b>		
<b>Water distribution losses</b>		
Units supplied	14 206 458	15 309 474
Units sold	(10 757 799)	(10 544 650)
	<b>3 448 659</b>	<b>4 764 824</b>
<b>Electricity distribution losses</b>		
Units bought	283 637 188	290 563 916
Units sold	(263 636 881)	(274 831 292)
	<b>20 000 307</b>	<b>15 732 624</b>
<b>Percentage loss in distribution</b>		
Water distribution losses	24,28%	31,12%
Electricity distribution losses	7,05%	5,41%

### 53. Change in estimate

#### Property, plant and equipment

Property, plant and equipment: A review of useful lives was done on assets. During the review, certain infrastructure, buildings, motor vehicles and other property plant and equipment with R nil book values and nil remaining lives were identified. The municipality's management considered how to account for the change in the estimated useful lives. The effect of a change in accounting estimate is required to be recognised prospectively by including it in surplus or deficit in the period of the change, if the change effects that period only; or the period of the change in future periods, if the change effects both. Management concluded that it should apply the change in estimate prospectively from the start of 2021 and therefore the depreciation charge was applied prospectively from 1 July 2020 over the remaining useful life of these assets.

	2020	2021	2022
Decrease/(Increase) in depreciation on other assets for the year	719 734	264 806	(103 182)
Decrease/(Increase) in depreciation on infrastructure for the year	688 586	(61 025)	(156 024)
Decrease/(Increase) in depreciation on buildings for the year	8 350	8 170	386
Decrease/(Increase) in depreciation on intangibles for the year	32 169	(4 021)	(4 021)
	<b>1 448 839</b>	<b>207 930</b>	<b>(262 841)</b>





# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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### 53. Change in estimate (continued)

The effect on the current year is to increase the carrying amount of property, plant and equipment by R1 448 839 and decrease the depreciation expense by R 1 448 839.

#### Property, plant and equipment -Review of Landfill Site available Airspace

During the year experts were appointed to evaluate the available airspace remaining on the landfill sites being used by the municipality to store solid waste. The review of the airspace resulted in a increase of the estimated number of years for the Worcester landfill site from 0 to 6.67 years. The increase in the remaining number of years resulted in an decrease of depreciation of R 528 264 (2020:R2 442 994).

The effect on the current year is an increase in the carrying amount of property, plant and equipment by R1 914 736 and decrease the depreciation expense by R 1 914 736.

#### Statutory receivables - Traffic fines reductions

During the current financial year the municipality received representations from drivers who has been fined for various road traffic law infringements. After consideration of the representations a decision was made to reduce some of the fines with an amount of R 439 350.

The effect on the current year is a decrease in Fines, Penalties and Forfeits income by R439 350 and a decrease in Debt Impairment expenditure by R439 350.





# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand

2021

2020

### 54. Prior Period Errors

Due to incorrect accounting treatment of the following financial transactions the figures of the prior year had to be restated:

Error 1: Change in estimate on zero value assets resulted in a decrease in the depreciation and an increase in the book value of Property Plant and Equipment of R67 868.

Error 2: Interest of R 492 878 on current account not recognised in prior year.

Error 3: A vehicle with a book value of R15 436 which was not disposed in the prior year.

Error 4: The minimum lease payments due within the Operating lease asset note has been restated from R1 756 536 to R1 805 342.

Error 5: The line items of the employee related cost note have been restated due to mapping errors. These reclassifications caused the amount of the line items within the note to change however, it did not have an impact on the closing balance of the employee related cost note. These restatements were as follows:

- Basic has been restated from R180 316 133 to R178 513 428.
- Group life has been restated from R1 658 672 to R1 668 303.
- Medical aid contributions has been restated from R24 881 607 to R24 886 883.
- Travel and car allowance has been restated from R 9 038 813 to R9 086 876.
- Overtime payments have been restated from R18 376 330 to R21 610 453.
- Acting allowances has been restated from R2 625 350 to R1 874 612.
- Other allowance has been restated from R10 359 848 to R9 616 197.

Error 6: The Cashflow statement of the prior year has been restated due to the following errors

- Accrued interest of R198 942 has been incorrectly included in finance Income and investments.
- Accrued interest of R352 989 has been incorrectly included in finance cost and repayment of loans.
- PPE additions of R47 469 has been incorrectly disclosed as Investment property additions.

Error 7: Availability Charges of R5 749 666 has been incorrectly classified as Revenue from Exchange Transactions:

- Service Charges instead of being classified as Revenue from Non Exchange.
- Availability Charges of R1 284 792 has been incorrectly classified as Receivables from exchange transactions instead of being classified as Receivables from non exchange transactions.

### Reclassifications:

Vat receivable of R1 162 704 has been reclassified as Statutory Receivable

Statement of financial performance Revenue	Balance as previously reported	Prior period error	Reclassified	Total
Service Charges	622 044 480	(5 749 666)	-	616 294 814
Sales of goods and rendering of services	3 992 775	-	-	3 992 775
Income from agency services	7 770 194	-	-	7 770 194
Licenses	2 210 624	-	-	2 210 624
Construction contracts	1 774 312	-	-	1 774 312
Rental income	10 625 205	-	-	10 625 205
Operational revenue	5 165 294	-	-	5 165 294
Finance Income	18 181 371	492 878	-	18 674 249
Property rates	145 106 782	-	-	145 106 782
Availability charges	-	5 749 666	-	5 749 666
Property rates - penalties imposed and collection	1 689 082	-	-	1 689 082
Government grants and subsidies	287 137 061	-	-	287 137 061
Fines, penalties and forfeits	51 034 163	-	-	51 034 163
	<b>1 156 731 343</b>	<b>492 878</b>	<b>-</b>	<b>1 157 224 221</b>



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand

2021

2020

Expenses	Balance as previously reported	Prior period error	Reclassified	Total
Employee related cost	(323 564 467)	-	-	(323 564 467)
Remuneration of councillors	(18 412 764)	-	-	(18 412 764)
Depreciation, amortisation and impairment	(87 503 765)	14 843	-	(87 488 922)
Bulk purchases	(318 841 906)	-	-	(318 841 906)
Finance cost	(23 642 881)	-	-	(23 642 881)
Contracted services	(64 400 623)	-	-	(64 400 623)
Grants and subsidies paid	(5 163 293)	-	-	(5 163 293)
Inventory consumed	(26 974 576)	-	-	(26 974 576)
Operating leases	(7 876 097)	-	-	(7 876 097)
Operational cost	(51 645 041)	-	-	(51 645 041)
Agency fees paid	(7 545 498)	-	-	(7 545 498)
Construction expenditure	(1 774 312)	-	-	(1 774 312)
	<b>(937 345 223)</b>	<b>14 843</b>	-	<b>(937 330 380)</b>
Operating (deficit)/surplus	- 219 386 119	507 722	-	219 893 841
Gains on disposal of assets	- (393 648)	(15 436)	-	(409 084)
Fair value adjustment	- 2 049 369	-	-	2 049 369
Actuarial gains	- 16 985 099	-	-	16 985 099
Debt impairment	- (90 508 645)	-	-	(90 508 645)
Inventory gains(losses)	- 70 994	-	-	70 994
	- -	-	-	-
<b>Surplus for the year</b>	<b>- 147 589 288</b>	<b>492 286</b>	-	<b>148 081 574</b>
<b>Statement of financial position Current assets</b>				
Inventory	10 431 542	-	-	10 431 542
Vat receivable	1 162 704	-	(1 162 704)	-
Receivables from exchange transactions	99 050 922	(1 284 792)	-	97 766 130
Other receivables from non exchange	623 328	1 284 792	-	1 908 120
Statutory receivables	30 923 350	-	1 162 704	32 086 054
Other receivables from exchange transactions	7 018 958	492 878	-	7 511 836
Short term investments	15 419 904	-	-	15 419 904
Long term receivables	1 967 548	-	-	1 967 548
Cash and Cash Equivalents	146 719 509	-	-	146 719 509
Operating lease asset	377 503	-	-	377 503
	<b>313 695 268</b>	<b>492 878</b>	-	<b>314 188 146</b>
<b>Non-current assets</b>				
Investment property	47 144 500	-	-	47 144 500
Property, plant and equipment	2 319 591 887	52 433	-	2 319 644 320
Intangible assets	4 181 530	-	-	4 181 530
Heritage assets	36 631 059	-	-	36 631 059
Long term receivables	3 313 512	-	-	3 313 512
	<b>2 410 862 488</b>	<b>52 433</b>	-	<b>2 410 914 921</b>



# BREDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020		
<b>Current liabilities</b>				
	Balance as previously reported	Prior period error		
		Reclassified		
		Total		
Payables from exchange transactions	100 109 688	-	-	100 109 688
Consumer deposits	4 231 352	-	-	4 231 352
Unspent conditional grants and receipts	19 739 244	-	-	19 739 244
Housing advances	2 039 797	-	-	2 039 797
Long term liabilities	17 433 217	-	-	17 433 217
Employee benefit obligation	43 960 275	-	-	43 960 275
Provisions	3 206 387	-	-	3 206 387
	<b>190 719 960</b>	-	-	<b>190 719 960</b>
<b>Non-current liabilities</b>				Total
Long term liabilities	192 179 568	-	-	192 179 568
Employee benefit obligation	151 408 176	-	-	151 408 176
Provision	104 392 979	-	-	104 392 979
	<b>447 980 723</b>	-	-	<b>447 980 723</b>
<b>Nett Assets</b>				Total
Accumulated surplus	2 085 857 073	545 310	-	2 086 402 383
Rounding difference	5	-	-	5
	<b>2 085 857 078</b>	<b>545 310</b>	-	<b>2 086 402 388</b>
<b>Nett Asset Restatement</b>				Total
Accumulated surplus previously reported	2 085 857 074	-	-	2 085 857 074
Change in estimate - PPE (2018/19)	67 868	-	-	67 868
Finance Income	492 878	-	-	492 878
Disposal of vehicle	(15 436)	-	-	(15 436)
Rounding difference	4	-	-	4
	<b>2 086 402 388</b>	-	-	<b>2 086 402 388</b>
Balance 1 July 2019 (previously reported)	1 929 299 106	-	-	1 929 299 106
Change in estimate -PPE	-	53 025	-	53 025
<b>Restated Balance 01 July 2019</b>	<b>1 929 299 106</b>	<b>53 025</b>	-	<b>1 929 352 131</b>
Restated Balance 1 July 2019	1 929 352 131	-	-	1 929 352 131
Changes in net assets	8 968 679	-	-	8 968 679
Surplus previously reported	147 589 288	492 290	-	148 081 578
Change in estimate - PPE	-	14 843	-	-
Finance income	-	492 878	-	-
Disposal of Vehicle	-	(15 436)	-	-
Rounding difference	-	5	-	-
<b>Restated Balance 01 July 2020</b>	<b>2 085 910 098</b>	<b>492 290</b>	-	<b>2 086 402 388</b>

Due to the changes as reflected above in the Statement of Financial Performance and Statement of Financial Position, the cashflow statement had to be restated. Please refer to details of each reclassification below for the nature and impact of the reclassification.



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020		
<b>Cash Flow Statement</b>				
	Balance as previously reported	Prior period error	Reclassified	Total
Cash flows from services and rate payers	765 971 426	534 601	-	766 506 027
Cash flows from government and other grants	288 457 474	-	-	288 457 474
Finance income:investing activities	18 181 371	293 936	-	18 475 307
	<b>1 072 610 271</b>	<b>828 537</b>	<b>-</b>	<b>1 073 438 808</b>
<b>Payments</b>				Total
Cash paid to employees	(320 103 348)	36 492	-	(320 066 856)
Cash paid to suppliers	(463 966 699)	(602 508)	-	(464 569 207)
Finance costs	(23 642 881)	(352 989)	-	(23 995 870)
Grants paid	(5 163 293)	-	-	(5 163 293)
	<b>(812 876 221)</b>	<b>(919 005)</b>	<b>-</b>	<b>(813 795 226)</b>
<b>Cash flows from investing activities</b>				Total
Purchase of property, plant and equipment	(194 944 017)	(351 905)	-	(195 295 922)
Proceeds from sale of property, plant and equipment	(346 894)	(62 189)	-	(409 083)
Purchase of other intangible assets	(100)	100	-	-
Long term receivables	(1 824 053)	-	-	(1 824 053)
Increase/ decrease in investment	(198 942)	198 942	-	-
Investment property additions	47 469	(47 469)	-	-
	<b>(197 266 537)</b>	<b>(262 521)</b>	<b>-</b>	<b>(197 529 058)</b>
<b>Cash flows from financing activities</b>				Total
Repayment of long term liabilities	(10 762 857)	352 989	-	(10 409 868)
Movement in consumer deposits	148 013	-	-	148 013
	<b>(10 614 844)</b>	<b>352 989</b>	<b>-</b>	<b>(10 261 855)</b>
Net increase/(decrease) in cash and cash equivalents	51 852 669	-	-	51 852 669
Cash and cash equivalents at the beginning of the year	94 866 840	-	-	94 866 840
	<b>146 719 509</b>	<b>-</b>	<b>-</b>	<b>146 719 509</b>

### 55. Financial instruments disclosure

#### Categories of financial instruments

2021

#### Financial assets

	At amortised cost	Total
Cash and cash equivalents	89 347 744	89 347 744
Receivables from exchange transactions	92 483 529	92 483 529
Other receivables from non- exchange transactions	4 809 859	4 809 859
Other receivables from exchange transactions	1 998 399	1 998 399
Long term receivables	4 498 051	4 498 051
Short term investments	101 414 454	101 414 454
	<b>294 552 036</b>	<b>294 552 036</b>

# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand

2021

2020

### 55. Financial instruments disclosure (continued)

#### Financial liabilities

	At amortised cost	Total
Long term Liabilities	197 586 526	197 586 526
Consumer deposits	4 366 711	4 366 711
Payables from exchange transactions	92 074 000	92 074 000
Unspent conditional grants	4 195 613	4 195 613
	<b>298 222 850</b>	<b>298 222 850</b>

#### 2020

#### Financial assets

	At amortised cost	Total
Cash and cash equivalents	146 719 509	146 719 509
Receivables from exchange transactions	97 766 130	97 766 130
Other receivables from non- exchange transactions	1 908 121	1 908 121
Other receivables from exchange transactions	2 669 035	2 669 035
Long term receivables	5 281 060	5 281 060
Short term investments	15 419 904	15 419 904
	<b>269 763 759</b>	<b>269 763 759</b>



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand

2021

2020

### 55. Financial instruments disclosure (continued)

#### Financial liabilities

	At amortised cost	Total
Long term Liabilities	209 612 785	209 612 785
Consumer deposits	4 231 352	4 231 352
Payables from exchange transactions	89 823 468	89 823 468
Unspent conditional grants	19 739 244	19 739 244
Housing advances	2 039 797	2 039 797
	<b>325 446 646</b>	<b>325 446 646</b>

### 56. Risk management

#### Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities. Prudent liquidity risk management implies maintaining sufficient cash and investments, the availability of funding for service delivery through effective budgeting and availability of credit facilities. The municipality manages its risks through effective and efficient budgeting and credit control. The liquidity risk is thus limited.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the municipality's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances as the impact of discounting is not significant.

At 30 June 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	92 073 999	-	-	-
Consumer deposits	4 366 711	-	-	-
Long term liabilities	18 447 673	14 535 651	54 357 173	110 246 029
Unspent conditional grants	4 195 613	-	-	-
	<b>119 083 996</b>	<b>14 535 651</b>	<b>54 357 173</b>	<b>110 246 029</b>

At 30 June 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	89 823 466	-	-	-
Consumer deposits	4 231 352	-	-	-
Long term liabilities	17 433 217	13 040 715	48 750 215	130 388 638
Unspent conditional grants	19 739 244	-	-	-
Housing advances	2 039 797	-	-	-
	<b>133 267 076</b>	<b>13 040 715</b>	<b>48 750 215</b>	<b>130 388 638</b>

#### Credit risk

Credit risk is managed by debt collection department. The credit risks, rates and consumer receivables, are managed in terms of the credit control and debt collection as well as the indigent relief policies.

Credit risk consists mainly of cash deposits, cash equivalents and receivables. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand 2021 2020

### 56. Risk management (continued)

Receivables arise from a widespread customer base. Management evaluated credit risk relating to receivables on an ongoing basis. If receivables are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the receivable, taking into account past experience with the client's payment rate. Sales to customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument		
Receivables from exchange transactions	92 483 529	97 766 130
Other receivables from non-exchange transactions	4 809 859	1 908 121
Other receivables from exchange transactions	1 998 399	2 669 035
Long term receivables	4 498 051	5 281 060
Short term investments	101 414 454	15 419 904
Cash and cash equivalents	89 347 744	146 719 509
	294 552 036	269 763 758

#### Market risk

##### Interest rate risk

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

A potential interest rate risk may arise from the short term deposits, cash and cash equivalents, consumer receivables, other receivables and long term receivables.

The short term deposits and cash and cash equivalents has limited exposure as the municipality interacts with well-established financial institutions of high credit standing. The investments are further of a short term nature.

Consumer receivables comprise of receivables dispersed over a large geographical area. The receivables are constantly analysed and evaluated for their financial condition. Receivables are disclosed net of the allowance for impairment. Where the accounts of the receivables become in arrears, they are collected through the levying of a penalty, the charging of interest at prime or the handing over for collection.

Long term receivables comprise mainly of the deferred consumers which shown at a fair value. The remaining long term receivables if required are charged interest at a fixed rate. The long term receivables are evaluated annually for impairment.

The municipality has a low interest rate risk as a long-term borrowing are made on fixed interest rates.

As the municipality has no long term variable rate financial instruments no sensitivity analysis is required at year end.

##### Price risk

The municipality is not exposed to price risk.

### 57. In-kind donations and assistance

In-kind donations, in the form of assets, to the value of R799 540 have been received by the Municipality during the 2020/21 financial year.





# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand 2021 2020

### 58. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Municipality assessed the going concern assumptions under the current economic climate resulting from the COVID-19 pandemic. Management considered a wide range of factors including the current and expected performance of the municipality, the amendment of government funding and where necessary potential sources of replacement funding.

### 59. Events after the reporting date

On 1 July 2021 the Raymond Pollet Road was closed due to the damage of the road heading to Zweletemba.

Due to rainstorms in the Breede Valley area the river swelled and this led to extensive scour damage and build-up of siltation and debris in the waterway. The area that requires the most urgent repair is the scoured South-eastern approach embankment and road surface. It was recommended that an approach slab should be installed, the embankment be filled and road surface repaired. Furthermore, it was recommended that the approach embankment protection works be upgraded by installing either stone pitching, rip-rap or gabions. The bridge structure itself is considered to be in fair condition and no structurally significant defects have been observed.

The total cost of the road is R4 466 934 with an accumulated depreciation of R 2 180 793 The carrying amount is R 2 286 141. The estimated cost of the damage is R226 351.

There is no evidence that these damages occurred at the reporting date. Instead these are indicative of conditions that arose after the reporting date being 30 June 2021. It can be concluded that the event is a non-adjusting event as the damage to road occurred on 1 July 2021 after year end.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the entity for future periods

### 60. COVID-19 Response Expenditure

The spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. On 23 March 2020 President Cyril Ramaphosa announced a nationwide lockdown to contain the spread of the virus.

Safety measures such as travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

On the 30 March 2020 the Minister of Finance issued a conditional Exemption Notice in terms of Section 177(1)(b) of the Municipal Finance Management Act, 2003 (Act No 56 of 2003) (MFMA), in order to facilitate and enable the performance of legislative responsibilities by municipalities and municipal entities during the national state of disaster.

The table below indicates the total COVID-19 expenditure for the period ending 30 June 2021.

Expenditure	2021	2020
Tankering of water	-	139 475
Chemical toilets	-	64 860
Food distribution	75 000	850 000
Screening and testing	25 080	126 270
Sanitising and cleansing	188 073	455 766
Protective Clothing	224 317	1 439 123
General other	37 705	12 616
Communication	-	93 783
	<b>550 175</b>	<b>3 181 893</b>





# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>Funding Sources</b>		
Own Funding	550 175	33 893
Municipal Disaster Relief Grant	-	298 000
Local Government Support Grant	-	850 000
CWDM Projects	-	2 000 000
	<b>550 175</b>	<b>3 181 893</b>

The table below indicates the funding sources for the period ending 30 June 2021.

### 61. Segment information

#### General information

#### Identification of segments

GRAP 18 Segment Reporting became effective on 1 April 2020 and, in accordance with the transitional provisions for the Standard provided in Directive 3, entities are not required to present comparative segment information on initial adoption of GRAP 18.

The municipality is taking advantage of the transitional provisions by not presenting comparative segment information.

The municipality intends to fully apply the requirements of GRAP 18 by 30 June 2022.

The Accounting Standard for Segment Reporting has been recognised in the Annual Financial Statements of the municipality as at 30 June 2021 in terms of GRAP 18

The municipality has developed Accounting Policies to fully comply with GRAP 18 (Segment Reporting). Previously the Accounting Standard was not applicable to municipalities.

Management has assessed the requirements of GRAP 18 and identified the following shortcomings preventing full disclosure in terms of the Accounting Standard:

The municipality's accounting system has limitations that does not allow for segmental reporting on financial position, net assets and cash flow.

The municipality is broadly organised into business units based on the nature of operations and the services they provide and the accounting system allows for reporting on these units on financial performance and capital assets.

The municipality does not monitor segments geographically.

Based on the above, management has concluded that the municipality will be able to report separate segments subject to the limitations listed above.

Management has evaluated the requirements of the Standard and it was found that no adjustments affecting Financial Position, Financial Performance, Net Assets or Cash Flows need to be made. Accordingly, the segmental information for Capital Assets and Financial Performance of the municipality is disclosed in the Annual Financial Statements. It is not practical to segmentize Financial Position and Cash Flow operations.

No individually material operating segments have been aggregated to form the reportable operating segments

The municipality is organised and reports to management on the basis of six major functional areas, governance and administration, community and public safety, economic and environmental services, energy sources, water management, waste water management and waste management. The segments were organised around the type of service delivered and the target market. Management uses these same segments for determining strategic objectives.

Information reported about these segments is used by management as a basis for evaluating the segments performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand

2021

2020

### 61. Segment information (continued)

#### Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

#### Reportable segment

Governance and administration  
Community and public safety  
Economic and environmental services  
Energy sources  
Water management  
Waste water management  
Waste management

#### Goods and/or services

Governance and administrative services  
Community and public services  
Economic and environmental services  
Electricity  
Water  
Sewerage and sanitation  
Refuse removal



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand

### 61. Segment information (continued)

#### Segment surplus or deficit

2021

	Governance and administration	Community and public safety	Economic and environmental services	Energy sources	Water Management	Waste Water Management	Waste management	Other	Total
<b>Revenue</b>									
Service charges	-	1 790 385	-	431 937 350	93 942 472	76 021 160	42 154 994	-	644 055 976
Sales of goods and rendering of services	499 643	-	1 743 744	640 894	2 268 956	1 581 510	10 416	-	8 535 548
Income from agency services	404 367	-	9 415 961	-	-	-	-	-	9 820 328
Licences and permits	200	294 154	1 723 073	-	-	-	-	-	2 017 427
Rental Income	1 446 706	5 032 619	-	-	-	-	-	-	6 479 325
Operational revenue	5 322 450	24 823	1 353 333	75 297	-	-	-	-	6 775 903
Finance Income	15 503 714	676 643	-	-	-	-	-	-	16 180 357
Property rates	155 976 506	-	-	-	-	-	-	-	155 976 506
Property tax and penalties	1 521 045	-	-	-	-	-	-	-	1 521 045
Government grants & subsidies	40 651 968	31 697 672	36 741 100	24 955 788	23 205 945	42 309 560	21 827 869	-	221 389 902
Fines, penalties and forfeits	-	30 471 387	-	271 729	-	-	-	-	30 743 116
<b>Total segment revenue</b>	<b>221 326 599</b>	<b>69 987 683</b>	<b>50 977 211</b>	<b>457 881 058</b>	<b>119 417 373</b>	<b>119 912 230</b>	<b>63 993 279</b>	<b>-</b>	<b>1 103 495 433</b>
<b>Expenditure</b>									
Bulk purchase	-	-	-	(328 878 664)	(8 645 719)	-	-	-	(337 524 383)
Contracted services	(32 555 172)	(7 338 839)	(6 379 173)	(11 599 419)	(1 567 948)	(6 311 127)	(7 362 673)	(52 016)	(73 166 367)
Depreciation and amortisation	(5 072 232)	(7 504 926)	(25 347 745)	(18 358 502)	(13 627 393)	(14 414 169)	(4 222 763)	(1 087)	(88 548 817)
Employee related cost	(111 435 729)	(102 734 572)	(41 175 928)	(24 126 720)	(28 196 213)	(22 559 706)	(19 977 640)	(112 453)	(350 318 961)
Finance cost	(299 845)	(301 014)	(1 635 304)	(6 549 690)	(2 502 159)	(11 025 732)	(37 099)	-	(22 350 843)
Grants and subsidies paid	(1 489 306)	(2 363 818)	(448 942)	-	-	-	-	(150 336)	(4 452 402)
Inventory Consumed	(9 416 568)	(2 050 578)	(1 813 712)	(4 641 191)	(5 525 190)	(1 716 336)	(988 836)	(13 787)	(26 166 198)
Operating lease	(900 999)	(6 243 692)	(157 470)	(99 061)	-	(23 312)	(1 301 890)	(33 814)	(8 760 238)
Operational cost	(33 703 526)	(5 078 459)	(1 320 175)	(1 334 203)	(1 165 759)	(1 020 224)	(6 200 533)	(141 564)	(49 964 443)
Remuneration of counsellors	-	(18 421 282)	-	-	-	-	-	-	(18 421 282)
Agency fees paid	(496 016)	-	-	-	(7 636 140)	-	-	-	(8 132 156)
Debt impairment	(8 881 266)	(35 930 970)	-	(1 128 566)	(13 846 195)	(11 009 324)	(6 772 929)	-	(77 569 250)

# BREDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand

	Governance and administration	Community and public safety	Economic and environmental services	Energy sources	Water Management	Waste Water Management	Waste management	Other	Total
<b>61. Segment information (continued)</b>									
<b>Total segment expenditure</b>	<b>(204 250 659)</b>	<b>(187 968 150)</b>	<b>(78 278 449)</b>	<b>(396 716 016)</b>	<b>(82 712 716)</b>	<b>(68 079 930)</b>	<b>(46 864 363)</b>	<b>(505 057)</b>	<b>(1 065 375 340)</b>
<b>Total segmental surplus/(deficit)</b>									<b>38 120 093</b>
Gain/(loss) on disposal of assets and liabilities									421 699
Inventories reversal									99 382
Actuarial gains									(2 673 944)
Fair value adjustment									16 816 932
<b>Total surplus (deficit) for the period</b>									<b>52 784 162</b>



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# BREDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand

### 61. Segment information (continued)

#### Segmental Analysis of Capital Expenditure

	Original Budget	Total Budget Adjustments	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Total
<b>Revenue</b>								
Executive and Council	5 000	55 000	60 000	36 683	(23 317)	61	734	134 161
Budget and treasury office	1 620 000	5 829 181	7 449 181	5 388 191	(2 060 990)	72	333	18 225 968
Corporate services	-	-	-	-	-	-	-	-
Community and Social Services	100 000	10 589 207	10 689 207	11 252 133	562 926	105	11 252	33 204 830
Sport and Recreation	-	30 731	30 731	9 900	(20 831)	32	-	50 563
Public safety	-	1 774 039	1 774 039	930 411	(843 628)	52	-	3 634 913
Housing	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-
Environmental Protection	-	-	-	-	-	-	-	-
Planning and Development	1 900 000	(488 661)	1 411 339	1 222 080	(189 259)	87	64	3 855 650
Road Transport	17 646 365	55 031 815	72 678 180	71 176 157	(1 502 023)	98	403	215 030 995
Trading Services	-	-	-	-	-	-	-	-
Electricity	28 212 260	(1 512 096)	26 700 164	23 780 612	(2 919 552)	89	84	74 261 561
Water	24 984 042	(19 507 979)	5 476 063	4 194 759	(1 281 304)	77	17	13 865 675
Waste Management	25 445 921	(17 710 593)	7 735 328	5 419 624	(2 315 704)	70	21	18 574 667
Waste Water Management	-	1 214 523	1 214 523	1 177 137	(37 386)	97	-	3 568 894
Other	-	-	-	-	-	-	-	-
	<b>99 913 588</b>	<b>35 305 167</b>	<b>135 218 755</b>	<b>124 587 687</b>	<b>(10 631 068)</b>	<b>92</b>	<b>125</b>	<b>384 407 877</b>

#### Information about geographical areas

Although the municipality operates in a number of geographical wards, it is irrelevant for users of the financial statements as the municipality's geographical areas of operation can be seen as a single geographical area when deciding how to allocate resources



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand

2021

2020

### 61. Segment information (continued)

### 62. Non living resources

The municipality is the owner of various non living resources. The following dams has been extracted for the municipality:

Dam name	Owner	Date	Volume %	Volume m3	Location (S)	Location (E)
Stettynskloof Dam	BVM	31 October 1986	100	15 000 000	33° 50'11"	19° 15' 7"
Fairy Glen Dam	BVM	17 November 1986	100	516 000	33° 33'32,8"	19° 26'0.20"
Bokrivier Storage Dam	BVM	26 March 1987	100	90 000	33° 20' 51"	19° 45'40"

The following boreholes has been extracted for the municipality:

Town	Owner	Borehole Number	Yield/ Year m3	Location (S)	Location (E)
DeDoorns	BVM	DeDGOGBH3	154 176	33° 29,186	19° 40,033
DeDoorns	BVM	DeDGOGBH2	157 680	33° 29,202	19° 40,035
DeDoorns	BVM	DeDGOGBH1	157 680	33° 29,218	19° 40,027



# BREED VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020	
<b>63. Additional disclosure in terms of Municipal Finance Management Act</b>			
<b>Municipal bank accounts</b>			
<b>Bank statement balances</b>	30 June 2021	30 June 2020	30 June 2019
Nedbank - Worcester Branch Cheque Account	91 481 689	148 605 540	97 491 252
<b>Cash book balances</b>	30 June 2021	30 June 2020	30 June 2019
	89 334 611	146 706 375	94 853 665
<b>Membership fees: SALGA</b>			
Current year subscription / fee		3 664 534	3 467 911
Amount paid - current year		(3 664 534)	(3 467 911)
		-	-
<b>Audit fees</b>			
Opening balance		-	-
Current year subscription / fee		3 306 736	3 490 134
Amount paid - current year		(3 306 736)	(3 490 134)
		-	-
<b>PAYE and UIF</b>			
Opening balance		3 635 753	3 623 943
Current year subscription / fee		51 092 931	46 833 748
Amount paid - current year		(46 865 988)	(43 197 995)
Amount paid - previous years		(3 635 753)	(3 623 943)
		<b>4 226 943</b>	<b>3 635 753</b>
<b>Pension and medical aid deductions</b>			
Opening balance		536 866	362 295
Current year subscription / fee		98 611 926	91 960 536
Amount paid - current year		(98 093 715)	(91 423 670)
Amount paid - previous years		(536 866)	(362 295)
		<b>518 211</b>	<b>536 866</b>
<b>VAT</b>			
VAT receivable		2 371 796	1 162 704

All VAT returns have been submitted by the due date throughout the year.

### Councillors' arrear consumer accounts

As at 30 June 2021 there were no Councillors with arrear consumer accounts outstanding for more than 90 days.



# BREEDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand

2021

2020

### 63. Additional disclosure in terms of Municipal Finance Management Act (continued)

#### Supply chain management regulations

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the Council. The expenses incurred as listed hereunder have been condoned.

A detailed list of deviations is in Appendix J available and on the municipality's website.

### 64. Additional disclosure in terms of the Broad-Based Black Economic Empowerment Act

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.





**BREED VALLEY MUNICIPALITY**  
Annual Financial Statements for the year ended 30 June 2021

**EXTERNAL LOANS**

Mun Ref.	Fin Inst. Ref.	Date Received	Amount Received	Date Redeemable	Transactions for the year to date:				Carrying Value	Short term		Short term March				
					Balance as at 30/06/2020	Received	Redeemed	Interest Paid		Less: Interest Accrued Previous Year	Add: Interest Accrued Current Year		Balance as at 30/06/2021	Portion	Portion	
<b>EXTERNAL LOANS</b>																
<b>ANNUITY &amp; STOCK LOANS</b>																
3-9004-99725400						203 881 135.74	11 701 567.70	22 675 633.85	(5 731 649.23)	5 406 958.01	192 179 588.04	324 088 313.76	13 040 714.61	178 138 853.43		
Loans redeemed	8															
DBSA: @10.55%		14/07/2005	21 736 259.25	31/03/2014								1 065 713.04				
DBSA: @10.891%	556	14/11/2005	22 000 000.00	31/03/2015								7 660 798.33				
DBSA: @10.40%	557	14/11/2005	22 000 000.00	31/03/2009								10 836 235.03				
DBSA: @11.00%	558	26/08/1997	9 179 000.00	31/03/2014								15 037.89				
DBSA: @12.00%	559	10/04/1997	3 000 000.00	31/03/2017								1 523 476.29				
DBSA: @12.00%	580	10/04/1997	3 000 000.00	31/03/2017								308 123.71				
DBSA: @ Variable rate	581	10/04/1997	7 000 000.00	31/03/2017								1 119 544.76				
DBSA: @ 8.69%	582	10/04/1997	25 000 000.00	30/06/2009								4 616 638.02				
INCA/FNB: @ 10.21%	2569	29/09/2006	50 000 000.00	30/09/2016								12 912 374.59				
INCA/FNB: @ 10.14%	2991	29/09/2006	5 000 000.00	30/09/2012								29 356 592.19				
DBSA: @ 5.00%	2992	31/03/2008	23 000 000.00	31/03/2018								922 813.04				
DBSA: @ 9.46%	5027	10/03/2008	40 000 000.00	31/03/2018								14 197 944.45				
DBSA: @ 9.46%	5028	10/03/2008	2 000 000.00	31/03/2015								28 023 091.32				
DBSA: @ 6.75%	11097	10/03/2010	21 000 000.00	31/03/2030								87 756.00				
DBSA: @ 12.06%	11098	09/03/2010	28 000 000.00	31/03/2030								18 337 545.17				
DBSA: @ 11.325%	11099	16/07/2010	50 000 000.00	31/03/2030								1 062 272.78				
DBSA: @ 11.5%	11100	10/03/2011	50 000 000.00	31/03/2030								1 351 346.35				
DBSA: @ 12.14%	11101	10/03/2013	51 000 000.00	31/03/2030								2 450 815.21				
DBSA: @ 11.431%	19975	20/05/2016	38 500 000.00	31/03/2036								33 170 868.16				
DBSA: @ 10.824%	19976	20/05/2016	21 500 000.00	31/03/2026								33 705 756.99				
												2 564 617.81				
												44 985 315.84				
												34 197 121.85				
												960 862.51				
												1 171 444.88				
												38 703 865.07				
												4 908 615.96				
												4 352 688.44				
												2 207 307.56				
												604 318.73				
												212 823.01				
												18 872 285.80				
												2 585 343.15				
												35 621 713.37				
												1 005 865.45				
												1 037 158.99				
												4 908 615.96				
												4 085 598.19				
												1 635 594.10				
												367 614.38				
												13 622 478.40				
												11 584 108.77				
												521 195.65				
												652 655.34				
												1 186 380.54				
												2 488 445.81				
												2 564 617.81				
												36 139 267.46				
												461 796.43				
												1 238 390.13				
												600 862.51				
												2 182 331.34				
												11 440 148.06				
												541 076.83				
												689 694.01				
												1 264 434.87				
												1 164 292.67				
												1 274 163.14				
												469 096.06				
												1 121 804.75				

**BREDE VALLEY MUNICIPALITY**  
Annual Financial Statements for the year ended 30 June 2021

**EXTERNAL LOANS**

INTEREST ALLOCATED INCOME & EXPENDITURE		Amount
Department	Main Vote	
P.W. Stormwater Drains: Worces	1533	308 980.52
P.W.: Street Lighting	1538	23 203.02
P.W. Streets: Worcester	1539	1 635 304.13
Boland Park Sportground	5130	87 281.59
R.F.: Parks (Other)	5151	203 722.62
R.R. Removal: Worcester	6603	37 098.77
Saw.:Disp.Works-Touwsrivier	6905	65 005.61
Saw.: Disp. Works-Worcester	6906	8 915 765.30
Saw.: Disp. Works-Rawsonville	6907	141 510.15
Saw. Networks: Worcester	6912	1 584 470.29
Elec.: Network & Substation	8112	6 526 487.18
Network & Pumps: Worcester	8412	499 114.82
W.M.: Fairy Glen D	8415	2 383.44
Bulk Water De Doorns	8416	37 721.47
W.M.: Stoffynskloof Dam	8418	1 962 939.16
Res.: Vehicle distribution	8660	299 844.66
		<b>22 350 842.63</b>
Interest Paid		22 875 533.85
Interest Accrued	2019/20	(5 731 649.23)
Interest Accrued	2020/21	5 408 658.01
<b>Total</b>		<b>22 350 842.63</b>

BREED VALLEY MUNICIPALITY  
Annual Financial Statements for the year ended 30 June 2021  
APPENDIX B: FIXED ASSET RECONCILIATION

Classification of Assets										
Cost/Revaluation 2021										
	Opening balance as previously stated 30-06-2020	Prior period error	Restated opening balance 30/6/2020	Additions	Gap 12 Transfer	Fair value adjustment	Transfers	Restoration of assets	Disposals	Closing Balance 30-06-2021
LAND	233 613 024		233 613 024				(364 686)		(2 366 070)	230 882 268
BUILDINGS	321 357 288		321 357 288	14 768 347			-487 977		(1 536 930)	334 100 728
INFRASTRUCTURE	2 971 429 295	-98 648	2 971 330 647	103 040 310	-796 036		487 977		(2 839 093)	3 071 223 805
HERITAGE ASSETS	36 631 059		36 631 059							36 631 059
OTHER ASSETS	148 747 085	16 161	148 763 246	6 779 030				2 118 632	(5 069 883)	152 591 025
INTANGIBLE ASSETS	5 364 081		5 364 081							5 364 081
INVESTMENT PROPERTY	47 144 500		47 144 500			16 456 814	364 686		(90 500)	63 875 500
<b>TOTAL</b>	<b>3 764 286 331</b>	<b>(82 487)</b>	<b>3 764 203 844</b>	<b>124 587 687</b>	<b>-796 036</b>	<b>16 456 814</b>	<b>0</b>	<b>2 118 632</b>	<b>-11 902 476</b>	<b>3 894 668 465</b>



BREDE VALLEY MUNICIPALITY  
Annual Financial Statements for the year ended 30 June 2020  
APPENDIX B: FIXED ASSET RECONCILIATION

Classification of Assets	Cost/Revaluation 2020										
	Opening balance as previously stated 30-06-2019	Prior period error	Restated opening balance 30/6/2019	Additions	Grp 12 Transfer	Fair value adjustment	Transfers	Restoration of Assets	Disposals	Closing Balance 30.6.2020	
LAND	233 614 537	(1 513)	233 613 024				-		-	233 613 024	
BUILDINGS	304 301 404		304 301 404	8 784 244			8 271 640			321 357 288	
INFRASTRUCTURE	2 818 930 007	(132 962)	2 818 797 045	178 671 862	(47 470)		(14 172 608)		(11 819 534)	2 971 429 295	
HERITAGE ASSETS	36 631 059		36 631 059							36 631 059	
OTHER ASSETS	129 656 053		129 656 053	8 024 812			5 900 969	9 910 822	(4 745 571)	148 747 085	
INTANGIBLE ASSETS	6 230 703	(79 579)	6 151 124						(787 043)	5 364 081	
INVESTMENT PROPERTY	43 750 400	1 116 000	44 866 400			2 278 100				47 144 500	
<b>TOTAL</b>	<b>3 573 114 162</b>	<b>901 946</b>	<b>3 574 016 109</b>	<b>195 480 918</b>	<b>-47 470</b>	<b>2 278 100</b>	<b>0</b>	<b>9 910 822</b>	<b>-17 352 147</b>	<b>3 764 286 331</b>	



BREED VALLEY MUNICIPALITY  
Annual Financial Statements for the year ended 30 June 2021  
APPENDIX B: FIXED ASSET RECONCILIATION

Classification of Assets	Accumulated Depreciation 2021									
	Opening balance as previously stated 30-06-2020	Prior period error	Restated opening balance 30-06-2020	Additions	Impairment	Disposals	Restoration of Assets	Transfers	Closing Balance 30-06-2021	Carrying Value 30-06-2021
LAND	-	-	-	-	-	-	-	-	-	230 882 268
BUILDINGS	186 064 410	-	186 064 410	6 208 494	-	(1 445 204)	-	-	190 827 700	143 273 027
INFRASTRUCTURE	1 108 047 082	(2)	1 108 047 080	72 056 659	-	(2 824 456)	-	-	1 177 279 283	1 893 944 522
HERITAGE ASSETS	-	-	-	-	-	-	-	-	-	36 631 059
OTHER ASSETS	61 443 313	(134 919)	61 308 395	9 664 016	-	(3 969 785)	528 264	-	67 530 889	85 060 136
INTANGIBLE ASSETS	1 182 551	-	1 182 551	91 383	-	-	-	-	1 273 934	4 090 147
INVESTMENT PROPERTY	-	-	-	-	-	-	-	-	-	63 875 500
<b>TOTAL</b>	<b>1 356 737 357</b>	<b>-134 921</b>	<b>1 356 602 436</b>	<b>88 020 552</b>	<b>0</b>	<b>-8 239 445</b>	<b>528 264</b>	<b>-</b>	<b>1 436 911 807</b>	<b>2 457 756 659</b>

BREED VALLEY MUNICIPALITY  
Annual Financial Statements for the year ended 30 June 2020  
APPENDIX B: FIXED ASSET RECONCILIATION

Classification of Assets	Accumulated Depreciation 2020									
	Opening balance as previously stated 30-06-2019	Prior period error	Restated opening balance 30-06-2019	Additions	Impairment	Disposals	Restoration of Assets	Transfers	Closing Balance 30.6.2020	Carrying Value 30.6.2020
LAND	-		-							233 613 024
BUILDINGS	180 297 779		180 297 779	5 766 631					186 064 410	135 292 878
INFRASTRUCTURE	1 050 661 784	(132 962)	1 050 528 822	69 297 736		(11 819 534)		40 059	1 108 047 002	1 863 382 212
HERITAGE ASSETS	-		-							36 631 059
OTHER ASSETS	53 641 871	(53 025)	53 588 846	9 745 516		(4 347 014)	2 443 000	(40 059)	61 390 288	87 356 797
INTANGIBLE ASSETS	1 798 291	(79 579)	1 718 712	250 881		(787 043)			1 182 551	4 181 530
INVESTMENT PROPERTY	-		-							47 144 500
<b>TOTAL</b>	<b>1 286 399 724</b>	<b>-265 566</b>	<b>1 286 134 158</b>	<b>85 060 765</b>	<b>0</b>	<b>-16 953 594</b>	<b>2 442 997</b>	<b>0</b>	<b>1 356 864 332</b>	<b>2 407 602 000</b>

**BREED VALLEY MUNICIPALITY**

**APPENDIX C**

**STATISTICAL INFORMATION**

		2021	2020	2019	2018
<b>(1) General Statistics</b>					
<b>(a) Population.</b>	±				
<b>(b) Valuation</b>					
(i) Taxable					
Land		6 496 775 500	6 309 895 800	6 902 659 400	6 015 586 900
Improvements		18 157 119 500	18 184 733 500	17 502 936 000	18 038 844 300
(ii) Non Taxable					
Land					
Improvements					
(iii) Date of Last General Valuation		2016/07/01	2016/07/01	2016/07/01	2016/07/01
<b>(c) Number of properties</b>					
Residential		21 096	21 083	21 065	20 932
Commercial		1 205	1 063	1 065	1 038
Welfare Institutions		241	241	244	238
Agri/Farms		1 868	1 874	1 863	1 883
Industrial		236	236	235	236
Public Serv. Infrastructure		342	338	336	335
National Monuments		26	26	28	27
Municipal Properties		3 628	3 879	3 890	3 979
State		106	106	106	104
Mine		5	5	-	-
<b>(d) Assessment Rate: Cent in the Rand</b>		0.9302 + 1.8603	0.9302 + 1.8603	0.8278+ 1.6556	0.7809 + 1.5618
<b>(e) Number of Employees</b>					
Employed		899	932	940	934
Vacancies (Funded and Un Funded)		291	227	182	149
<b>(2) Electrical Statistics</b>					
<b>(a) Number of users</b>	±	27 653	27 653	28 000	27 653
<b>(b) Units bought</b>	kwH	283 637 188	290 563 916.40	302 916 313.19	300 068 505.13
<b>(c) Units sold</b>	kwH	263 626 881	274 831 292.00	281 171 281.50	280 162 315.00
<b>(d) Units lost in distribution</b>	kwH	20 010 307	15 732 624.40	21 745 031.69	19 906 190.13
<b>(e) Percentage of units lost in distribution</b>		7.05%	5.4145%	7.1786%	6.6339%
<b>(f) Cost per unit bought</b>	R	1.4349653	1.312900	1.172764	1.077257
<b>(g) Loss in distribution</b>	R	28 714 096	20 655 363	25 501 799	21 444 083
<b>(h) Cost per unit sold</b>	R	1.5438847	1.388056268	1.263463	1.153799
<b>(i) Income per unit sold</b>	R	1.637952	1.515657	1.384090	1.302097
<b>(3) Water Statistics</b>					
<b>(a) Number of users</b>	±	27 864	27 864	28 000	27 864
<b>(b) Units supplied</b>	Kl	14 206 458	15 309 473.97	13 317 770.00	12 569 124.00
<b>(c) Units sold</b>	Kl	10 757 799	10 544 650.49	11 135 455.00	10 802 841.00
<b>(d) Units lost in distribution</b>	Kl	3 448 659	4 764 823.48	2 182 315.00	1 766 283.00
<b>(e) Percentage of units lost in distribution</b>		24.28%	31.1234%	16.3865%	14.0526%
<b>(f) Cost per unit supplied</b>	R	5.287168	5.444189	4.781119	4.573842
<b>(g) Loss in distribution</b>	R	18 233 640	25 940 600	10 433 907	8 078 699
<b>(h) Cost per unit sold</b>	R	6.982091	7.731312	5.718117	5.321673
<b>(i) Income per unit sold</b>	R	8.744515	8.437124	6.305673	5.250956
<b>(4) Sundry Statistics</b>					
<b>(a) Area in km<sup>2</sup></b>		3 833	3 833	3 833	3 833
<b>(b) Previous election</b>		70 002	70002	70002	70002
Number of registered voters					
% poll					
<b>(c) Building survey:</b>					
(i) Building plans					
Number passed		620	504	496	568
Value passed (R '000)		411 805 000	389 418 000	360 039 000	442 154 000
(ii) Inspections performed	±	4 464	3 100	2 500	3 500
<b>(d) Housing</b>					
(i) Number of dwelling units		2 688	2 696	2 688	2 688
(ii) Number of people acc	±	630	495	13 440	12 096
(iii) Number of people on waiting list		20 207	19 945	26 116	25 659
<b>(e) Fire service stations</b>		3	3	3	2



AUDITOR - GENERAL  
SOUTH AFRICA

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30 November 2021

BREDE VALLEY MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2021

APPENDIX D: GRANTS AND SUBSIDIES RECEIVED

NAME OF GRANTS	Name of organ of state or Municipality entity	Balance 1 July 2020	Quarterly Receipts				Quarterly Expenses				Balance 30 June 2021	Grants and subsidies delayed/ withheld				Reason for delay/ withholding of funds	Comply with the grant conditions in terms of latest DORA	Reason for Non-Compliance
			Sept 2020	Dec 2020	March 2021	June 2021	Sept 2020	Dec 2020	March 2021	June 2021		Sept 20	Dec 20	March 21	June 21			
Equitable Share	National	-	57 416 000	56 016 000	31 898 000	23 923 500	34 449 600	41 538 400	45 318 500	23 923 500	-	-	-	-	Not applicable	Yes	None	
Financial Management grant	National	-	1 550 000				125 000	695 189	106 839	622 972	-	-	-	Not applicable	Yes	None		
EPWP: National	National	-	769 000	1 384 000	923 000	-	2 050 533	1 025 467	-	-	-	-	-	Not applicable	Yes	None		
Municipal Infrastructure Grant	National	10 151 163	908 000	15 134 000	17 778 000	9 300 873	957 420	22 519 821	11 193 050	9 300 873	-	-	-	Not applicable	Yes	None		
Integrated National Electrification Grant	National	-	5 000 000	8 000 000	4 000 000	8 559 514	3 311 202	5 129 285	2 059 360	8 559 514	-	-	-	Not applicable	Yes	None		
Public Libraries-Operational	Provincial	-	4 007 000	4 107 000		4 051 971	1 939 649	2 074 020	1 401	4 051 971	-	-	-	Not applicable	Yes	None		
Public Libraries- Capital	Provincial	-	100 000			240	67 584	30 775	180 000	240	-	-	-	Not applicable	Yes	None		
National Roads Agency	Provincial	-			180 000						-	-	-	Not applicable	Yes	None		
CDW Grant	Provincial	-			94 000	63 283				63 283	-	-	-	Not applicable	Yes	None		
TRANSIT REVENUE	Provincial	-			1 000 000	491 145				491 145	30 717	-	-	Not applicable	Yes	Project ongoing		
Financial Management Capacity Building Grant	Provincial	710 000			300 000	505 000				505 000	175 000	-	-	Not applicable	Yes	Project ongoing		
Local Government Internship	Provincial	50 840				50 840				50 840	-	-	-	Not applicable	Yes	None		
RSEP Projects Capital	Provincial	648 098		1 900 000		2 220 458	40 000	98 380	(1)	2 220 458	189 262	-	-	Not applicable	Yes	Project not completed		
Thusong Centre	Provincial	83 097				83 097				83 097	-	-	-	Not applicable		None		
Municipal Accreditation & Capacity Building Grant	Provincial	239 175		237 000		503 000			239 175	475 000	265 000	-	-	Not applicable	Yes	Project ongoing		
Disaster Management Grant	Provincial	-			236 000					199 264	36 737	-	-	Not applicable		Project ongoing		
Avian park 438 Houses	Provincial	2 039 797						2 039 797			-	-	-	Not applicable	Yes	None		
Title Deeds	Provincial	3 735 535				1 230 217				1 230 217	2 505 318	-	-	Not applicable	Yes	Project ongoing		
PAWC Fire Equipment	Provincial	-									-	-	-	Not applicable	Yes	None		
Housing: Transhex	Provincial	3 523 293						3 523 293			-	-	-	Not applicable	Yes	None		
58 Houses for staff (SAMWU)	Housing grants	44 824									44 824	-	-	Not applicable	No	Project ongoing		
350 Houses Avian Park	Housing grants	(422 643)									(422 643)	-	-	Not applicable	Yes	Project ongoing		
339 Houses	Housing grants	24 464						24 464			-	-	-	Not applicable	No	None		
LGWSETA	Other	-			456 944	456 944				456 944	-	-	-	Not applicable	Yes	None		



BREDE VALLEY MUNICIPALITY																		
Annual Financial Statements for the year ended 30 June 2021																		
APPENDIX D: GRANTS AND SUBSIDIES RECEIVED																		
NAME OF GRANTS	Name of organ of state or Municipality Entity	Balance 1 July 2020	Quarterly Receipts			Quarterly Expenses			Balance 30 June 2021	Grants and subsidies delayed/ withheld				Reason for delay/ withholding of funds	Comply with the grant conditions in terms of latest DORA	Reason for Non-Compliance		
			Sept 2020	Dec 2020	March 2021	June 2021	Sept 2020	Dec 2020		March 2021	June 2021	Sept 20	Dec 20				March 21	June 21
Work for Water Projects	Other	(175 507)							170 811	669 097	1 437 233	209 740				Not applicable	Yes	Project ongoing
CWDM: Operational	Other	100 000				1 020 000					100 000	500 000				Not applicable	Yes	Project ongoing
CWDM: Capital	Other	428 755										299 540				Not applicable	Yes	Project ongoing
CWDM: Donated Assets	Other	-				299 540						299 540				Not applicable	Yes	None
Donated Assets	Private Donation	-				500 000						500 000				Not applicable	Yes	None
		21 180 891	69 750 000	86 778 000	56 409 000	4 790 484			39 800 595	77 979 905	66 273 696	53 743 598						
<b>SUMMARY</b>		Balance 01/07/20	Sept 2020	Dec 2020	March 2021	June 2021			Sept 2020	Dec 2020	March 2021	June 2021						
		21 180 891	217 727 484						237 797 794									
Register summary	Unutilised Balance - 01/07/2020	Debit Balance 01/07/2020	Receipted 01/07/2020 - 30/06/21	Other Income	Capital Donated	Written - off			Conditions met Income statement Operation	Conditions met Income statement Capital	Refunded	To Other Debtors						
	21 779 041	(598 151)	216 927 944	799 540	-	-		(168 007 239)	(53 382 663)	(16 407 892)	(3 085 031)							
		21 180 891	217 727 484					(237 797 794)										

**Appendix E A2**  
**WC025 Breede Valley - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)**

Description	2020/21							2019/20			
	Original Budget	Budget Adjustments (i.l.o. MFMA s28)	Adjustment Budget 28 April 2021	Approved Virements (Budget Virement Policy 2020/2021)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	14
<b>Revenue - Standard</b>											
<b>Governance and administration</b>	212 426	4 909	217 335	0	217 335	226 404		9 070	104.2%	106.6%	301 346
Executive and council	108	-	108	-	108	433		325	401.4%	401.4%	2 449
Finance and administration	212 318	4 909	217 227	0	217 227	225 972		8 745	104.0%	106.4%	298 897
Internal audit	-	-	-	-	-	-		-	-	-	-
<b>Community and public safety</b>	213 570	(54 040)	159 530	-	159 530	86 047		(73 482)	53.9%	40.3%	42 087
Community and social services	11 323	133	11 456	-	11 456	13 597		2 141	118.7%	120.1%	11 080
Sport and recreation	1 811	314	2 126	-	2 126	1 282		(844)	60.3%	70.8%	3 034
Public safety	118 761	666	119 427	-	119 427	31 913		(87 533)	26.7%	26.9%	3 140
Housing	81 675	(55 174)	26 501	-	26 501	39 256		12 755	148.1%	48.1%	24 833
Health	-	-	-	-	-	-		-	-	-	-
<b>Economic and environmental services</b>	24 568	(4 224)	20 343	-	20 343	50 136		29 793	246.4%	204.1%	86 944
Planning and development	3 209	648	3 857	-	3 857	2 828		(1 029)	73.3%	88.1%	6 666
Road transport	19 109	(6 000)	13 109	-	13 109	44 821		31 712	341.9%	234.6%	79 465
Environmental protection	2 250	1 128	3 378	-	3 378	2 487		(891)	73.6%	110.5%	813
<b>Trading services</b>	788 416	(8 278)	780 138	(0)	780 138	761 204		(18 934)	97.6%	96.5%	728 897
Energy sources	483 733	(3 601)	480 132	(0)	480 132	457 881		(22 250)	95.4%	94.7%	434 289
Water management	114 878	(2 251)	112 627	-	112 627	119 417		6 790	106.0%	104.0%	108 331
Waste water management	129 575	(6 512)	123 063	-	123 063	119 912		(3 151)	97.4%	92.5%	128 062
Waste management	60 230	4 086	64 316	-	64 316	63 993		(323)	99.5%	106.2%	58 215
<b>Other</b>	-	100	100	-	100	-		(100)	-	-	-
<b>Total Revenue - Standard</b>	<b>1 238 979</b>	<b>(61 534)</b>	<b>1 177 446</b>	<b>-</b>	<b>1 177 446</b>	<b>1 123 792</b>		<b>(53 654)</b>	<b>95.4%</b>	<b>90.7%</b>	<b>1 159 274</b>
<b>Expenditure - Standard</b>											
<b>Governance and administration</b>	212 835	46 216	259 051	(18 578)	240 473	226 174		(14 298)	94.1%	106.3%	206 865
Executive and council	34 332	4 332	38 664	3 026	41 690	40 376		(1 314)	96.8%	117.6%	42 640
Finance and administration	175 111	41 562	216 673	(21 654)	195 019	182 041		(12 978)	93.3%	104.0%	160 962
Internal audit	3 392	322	3 713	50	3 763	3 757		(6)	99.8%	110.8%	3 263
<b>Community and public safety</b>	231 844	(43 174)	188 670	(9 549)	179 120	171 118		(8 003)	95.5%	73.8%	132 945
Community and social services	22 611	4 095	26 706	1 170	27 876	27 864		(12)	100.0%	123.2%	23 513
Sport and recreation	24 623	1 446	26 069	(25)	26 044	25 600		(444)	98.3%	104.0%	27 661
Public safety	110 989	1 849	112 838	(10 620)	102 219	94 987		(7 231)	92.9%	85.6%	58 426
Housing	73 516	(50 545)	22 971	(75)	22 896	22 583		(313)	98.6%	30.7%	23 184
Health	105	(19)	85	-	85	83		(2)	97.1%	79.2%	161
<b>Economic and environmental services</b>	77 584	1 419	79 003	659	79 662	78 767		(895)	98.9%	101.5%	107 096
Planning and development	16 594	765	17 360	169	17 528	17 506		(22)	99.9%	105.5%	15 655
Road transport	58 304	(524)	57 781	490	58 271	58 262		(9)	100.0%	99.9%	90 316
Environmental protection	2 685	1 178	3 863	0	3 863	2 999		(864)	77.6%	111.7%	1 125
<b>Trading services</b>	550 593	19 229	569 822	25 240	595 062	594 443		(619)	99.9%	108.0%	563 089
Energy sources	387 435	14 029	401 464	3 153	404 617	404 364		(253)	99.9%	104.4%	378 174
Water management	58 613	5 210	63 823	11 512	75 335	75 107		(228)	99.7%	128.1%	68 673
Waste water management	58 922	3 362	62 284	5 865	68 150	68 096		(54)	99.9%	115.6%	66 146
Waste management	45 623	(3 373)	42 251	4 710	46 961	46 876		(85)	99.9%	102.7%	50 096
<b>Other</b>	2 019	(1 301)	718	0	718	505		(212)	70.4%	25.0%	1 197
<b>Total Expenditure - Standard</b>	<b>1 074 875</b>	<b>22 368</b>	<b>1 097 264</b>	<b>(2 229)</b>	<b>1 095 035</b>	<b>1 071 008</b>		<b>(24 027)</b>	<b>97.8%</b>	<b>96.6%</b>	<b>1 011 192</b>
<b>Surplus/(Deficit) for the year</b>	<b>164 104</b>	<b>(83 922)</b>	<b>80 182</b>	<b>2 229</b>	<b>82 410</b>	<b>52 784</b>		<b>(29 626)</b>	<b>64.1%</b>	<b>32.2%</b>	<b>148 082</b>

**Appendix F A3  
WC025 Breede Valley - Reconciliation of Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description	2020/21										2019/20
	Original Budget	Budget Adjustments (i.i.o. MFMA s28)	Adjustment Budget 28 April 2021	Approved Virements (Budget Virement Policy 2020/2021)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	14
<b>Revenue by Vote</b>											
Vote 1 - Council General	108	-	108	-	108	433		325	401.4%	401.4%	449
Vote 2 - Municipal Manager	14 734	333	15 067	-	15 067	2 859		(12 208)	19.0%	19.4%	7 434
Vote 3 - Strategic Support Services	1 110	657	1 766	-	1 766	1 529		(238)	86.5%	137.8%	3 094
Vote 4 - Financial Services	195 113	4 221	199 335	(0)	199 335	220 708		21 373	110.7%	113.1%	292 360
Vote 5 - Community Services	226 081	(53 709)	172 372	-	172 372	97 399		(74 973)	56.5%	43.1%	101 230
Vote 6 - Technical Services	801 832	(13 035)	788 796	0	788 798	800 865		12 067	101.5%	99.9%	754 706
Example 7 - Vote7											
Example 8 - Vote8											
Example 9 - Vote9											
Example 10 - Vote10											
Example 11 - Vote11											
Example 12 - Vote12											
Example 13 - Vote13											
Example 14 - Vote14											
Example 15 - Vote15											
<b>Total Revenue by Vote</b>	<b>1 238 979</b>	<b>(61 534)</b>	<b>1 177 446</b>	<b>-</b>	<b>1 177 446</b>	<b>1 123 792</b>		<b>(53 654)</b>	<b>95.4%</b>	<b>90.7%</b>	<b>1 159 274</b>
<b>Expenditure by Vote to be appropriated</b>											
Vote 1 - Council General	30 568	4 290	34 878	2 026	36 904	36 468		(436)	98.8%	119.2%	37 996
Vote 2 - Municipal Manager	9 732	1 772	11 504	1 050	12 554	11 297		(1 257)	90.0%	116.1%	11 268
Vote 3 - Strategic Support Services	55 026	15 413	70 439	1 717	72 156	68 710		(3 446)	95.2%	124.9%	59 432
Vote 4 - Financial Services	88 279	17 998	106 277	(22 702)	83 575	77 852		(5 723)	93.2%	88.2%	66 399
Vote 5 - Community Services	244 134	(47 910)	196 224	(10 705)	185 519	180 406		(5 113)	97.2%	73.9%	178 895
Vote 6 - Technical Services	647 117	30 825	677 942	26 385	704 327	696 274		(8 052)	98.9%	107.6%	657 201
Example 7 - Vote7											
Example 8 - Vote8											
Example 9 - Vote9											
Example 10 - Vote10											
Example 11 - Vote11											
Example 12 - Vote12											
Example 13 - Vote13											
Example 14 - Vote14											
Example 15 - Vote15											
<b>Total Expenditure by Vote</b>	<b>1 074 875</b>	<b>22 388</b>	<b>1 097 264</b>	<b>(2 229)</b>	<b>1 095 035</b>	<b>1 071 008</b>		<b>(24 027)</b>	<b>97.8%</b>	<b>99.6%</b>	<b>1 011 192</b>
<b>Surplus/(Deficit) for the year</b>	<b>164 104</b>	<b>(83 922)</b>	<b>80 182</b>	<b>2 229</b>	<b>82 410</b>	<b>52 784</b>		<b>(29 626)</b>	<b>64.1%</b>	<b>32.2%</b>	<b>148 082</b>

Appendix G A4

WC025 Breede Valley - Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2020/21						2019/20				
	Original Budget	Budget Adjustments (i.e. MFMA s28)	Adjustment Budget 28 April 2021	Approved Virements (Budget Virement Policy 2020/2021)	Final Adjustments Budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	14
<b>Revenue By Source</b>											
Property rates	146 998	-	146 998	-	146 998	155 977	-	8 978	106.1%	106.1%	145 107
Service charges - electricity revenue	452 478	-	452 478	-	452 478	431 937	-	(20 540)	95.5%	95.5%	416 707
Service charges - water revenue	75 888	-	75 888	-	75 888	93 942	-	18 055	123.8%	123.8%	91 484
Service charges - sanitation revenue	76 490	(2 500)	73 990	-	73 990	76 021	-	2 031	102.7%	99.4%	73 688
Service charges - refuse revenue	42 092	-	42 092	-	42 092	42 155	-	63	100.1%	100.1%	40 166
Rental of facilities and equipment	2 223	3 396	5 618	-	5 618	22 936	-	17 318	408.2%	1031.9%	10 671
Interest earned - external investments	3 112	2 888	6 000	0	6 000	9 718	-	3 718	162.0%	312.3%	12 001
Interest earned - outstanding debtors	6 467	-	6 467	(0)	6 467	8 344	-	1 877	129.0%	129.0%	8 133
Dividends received	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	118 474	-	118 474	-	118 474	30 304	-	(88 170)	25.6%	25.6%	51 034
Licences and permits	3 797	-	3 797	-	3 797	2 017	-	(1 779)	53.1%	53.1%	2 211
Agency services	8 641	-	8 641	-	8 641	168 007	-	775	109.0%	109.0%	7 543
Transfers and subsidies	208 112	(36 899)	171 213	0	171 213	168 007	-	(3 206)	98.1%	80.7%	141 850
Other revenue	9 406	(0)	9 406	-	9 406	15 716	-	6 310	167.1%	167.1%	11 618
Gains on disposal of PPE	1 320	-	1 320	-	1 320	3 919	-	2 599	297.0%	297.0%	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 155 495</b>	<b>(33 115)</b>	<b>1 122 380</b>	<b>0</b>	<b>1 122 380</b>	<b>1 070 409</b>		<b>(51 971)</b>	<b>95.4%</b>	<b>92.6%</b>	<b>1 012 212</b>
<b>Expenditure By Type</b>											
Employee related costs	317 416	7 277	324 693	(2 967)	321 726	319 700	-	(2 027)	99.4%	100.7%	297 258
Remuneration of councillors	18 780	692	19 473	-	19 473	18 421	-	(1 051)	94.6%	98.1%	18 413
Debt impairment	85 167	10 000	95 167	(17 500)	77 667	77 130	-	(537)	99.3%	90.6%	90 509
Depreciation & asset impairment	95 246	-	95 246	(6 000)	89 246	88 561	-	(685)	99.2%	93.0%	87 496
Finance charges	23 653	-	23 653	-	23 653	22 351	-	(1 302)	94.5%	94.5%	23 643
Bulk purchases	326 798	11 000	337 798	-	337 798	337 524	-	(273)	99.9%	103.3%	318 842
Other materials	19 332	9 416	28 748	1 513	30 261	26 067	-	(4 194)	86.1%	134.8%	26 904
Contracted services	64 602	20 935	85 537	(2 453)	83 083	73 166	-	(9 917)	88.1%	113.3%	64 401
Transfers and subsidies	65 605	(57 447)	8 158	25	8 182	4 452	-	(3 730)	54.4%	6.8%	6 938
Other expenditure	54 773	20 515	75 288	25 154	100 443	100 150	-	(292)	99.7%	182.8%	76 388
Loss on disposal of PPE	3 504	-	3 504	-	3 504	3 485	-	(18)	99.5%	99.5%	402
<b>Total Expenditure</b>	<b>1 074 875</b>	<b>22 388</b>	<b>1 097 264</b>	<b>(2 229)</b>	<b>1 095 035</b>	<b>1 071 008</b>		<b>(24 027)</b>	<b>97.8%</b>	<b>99.6%</b>	<b>1 011 192</b>
<b>Surplus/(Deficit)</b>	<b>80 619</b>	<b>(55 503)</b>	<b>25 117</b>	<b>2 229</b>	<b>27 345</b>	<b>(998)</b>		<b>(27 944)</b>	<b>-2.2%</b>	<b>-0.7%</b>	<b>1 020</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	82 337	(28 869)	53 468	(0)	53 468	52 583	-	(885)	98.3%	63.9%	146 877
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental)	1 147	-	1 147	-	1 147	500	-	(647)	43.6%	43.6%	-
Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational	-	450	450	-	450	300	-	(150)	66.6%	#DIV/0!	185
Transfers and subsidies - capital (in-kind - all)	164 104	(83 922)	80 182	2 229	82 410	52 784	-	(29 626)	64.1%	32.2%	148 082
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Taxation	164 104	(83 922)	80 182	2 229	82 410	52 784	-	(29 626)	64.1%	32.2%	148 082
Surplus/(Deficit) after taxation	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities	164 104	(83 922)	80 182	2 229	82 410	52 784	-	(29 626)	64.1%	32.2%	148 082
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>164 104</b>	<b>(83 922)</b>	<b>80 182</b>	<b>2 229</b>	<b>82 410</b>	<b>52 784</b>		<b>(29 626)</b>	<b>64.1%</b>	<b>32.2%</b>	<b>148 082</b>

Appendix H A5

WC025 Breede Valley - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	2020/21								2019/20
	Original Budget	Total Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	12
<b>Capital expenditure - Vote</b>									
<b>Multi-year expenditure</b>									
Example 1 - Vote1	-	-	-	-	-	-	-	-	4
Example 2 - Vote2	10	1 079	1 089	1 065		(24)	98%	10651%	3 333
Example 3 - Vote3	5	695	700	370		(330)	53%	7403%	305
Example 4 - Vote4	-	3 333	3 333	3 237		(96)	97%	#DIV/0!	167
Example 5 - Vote5	5	10 969	10 974	10 442		(531)	95%	208850%	2 153
Example 6 - Vote6	61 701	35 945	97 646	93 045		(4 601)	95%	151%	109 852
Example 7 - Vote7	-	-	-	-		-	-	-	-
Example 8 - Vote8	-	-	-	-		-	-	-	-
Example 9 - Vote9	-	-	-	-		-	-	-	-
Example 10 - Vote10	-	-	-	-		-	-	-	-
Example 11 - Vote11	-	-	-	-		-	-	-	-
Example 12 - Vote12	-	-	-	-		-	-	-	-
Example 13 - Vote13	-	-	-	-		-	-	-	-
Example 14 - Vote14	-	-	-	-		-	-	-	-
Example 15 - Vote15	-	-	-	-		-	-	-	-
<b>Capital multi-year expenditure</b>	<b>61 721</b>	<b>52 020</b>	<b>113 741</b>	<b>108 160</b>	<b>-</b>	<b>(5 581)</b>	<b>95%</b>	<b>175%</b>	<b>115 815</b>
<b>Single-year expenditure</b>									
Vote 1 - Council General	-	-	-	-		-	-	-	-
Vote 2 - Municipal Manager	1 900	(331)	1 569	1 379		(189)	88%	73%	2 103
Vote 3 - Strategic Support Services	-	928	928	928		(0)	100%	#DIV/0!	334
Vote 4 - Financial Services	1 005	832	1 837	450		(1 387)	24%	45%	8
Vote 5 - Community Services	700	450	1 150	1 153		3	100%	165%	811
Vote 6 - Technical Services	34 588	(18 594)	15 994	12 517		(3 476)	78%	36%	76 410
Example 7 - Vote7	-	-	-	-		-	-	-	-
Example 8 - Vote8	-	-	-	-		-	-	-	-
Example 9 - Vote9	-	-	-	-		-	-	-	-
Example 10 - Vote10	-	-	-	-		-	-	-	-
Example 11 - Vote11	-	-	-	-		-	-	-	-
Example 12 - Vote12	-	-	-	-		-	-	-	-
Example 13 - Vote13	-	-	-	-		-	-	-	-
Example 14 - Vote14	-	-	-	-		-	-	-	-
Example 15 - Vote15	-	-	-	-		-	-	-	-
<b>Capital single-year expenditure</b>	<b>38 193</b>	<b>(16 715)</b>	<b>21 477</b>	<b>16 427</b>	<b>-</b>	<b>(5 050)</b>	<b>76%</b>	<b>43%</b>	<b>79 666</b>
<b>Total Capital Expenditure - Vote</b>	<b>99 914</b>	<b>35 305</b>	<b>135 219</b>	<b>124 588</b>	<b>-</b>	<b>(10 631)</b>	<b>92%</b>	<b>125%</b>	<b>195 481</b>
<b>Capital Expenditure - Standard</b>									
<b>Governance and administration</b>	<b>1 625</b>	<b>5 884</b>	<b>7 509</b>	<b>5 425</b>	<b>-</b>	<b>(2 084)</b>	<b>72%</b>	<b>334%</b>	<b>838</b>
Executive and council	5	55	60	37		(23)	61%	734%	6
Budget and treasury office	1 620	5 829	7 449	5 388		(2 061)	72%	333%	832
Corporate services	-	-	-	-		-	-	-	-
<b>Community and public safety</b>	<b>100</b>	<b>12 394</b>	<b>12 494</b>	<b>12 192</b>	<b>-</b>	<b>(302)</b>	<b>98%</b>	<b>12192%</b>	<b>3 874</b>
Community and social services	100	10 589	10 689	11 252		563	105%	11252%	818
Sport and recreation	-	31	31	10		(21)	32%	#DIV/0!	2 497
Public safety	-	1 774	1 774	930		(844)	52%	#DIV/0!	559
Housing	-	-	-	-		-	-	-	-
Health	-	-	-	-		-	-	-	-
<b>Economic and environmental services</b>	<b>19 546</b>	<b>54 543</b>	<b>74 090</b>	<b>72 398</b>	<b>-</b>	<b>(1 691)</b>	<b>98%</b>	<b>370%</b>	<b>69 869</b>
Planning and development	1 900	(489)	1 411	1 222		(189)	87%	64%	5 434
Road transport	17 646	55 032	72 678	71 176		(1 502)	98%	403%	64 435
Environmental protection	-	-	-	-		-	-	-	-
<b>Trading services</b>	<b>78 642</b>	<b>(37 516)</b>	<b>41 126</b>	<b>34 572</b>	<b>-</b>	<b>(6 554)</b>	<b>84%</b>	<b>44%</b>	<b>120 901</b>
Electricity	28 212	(1 512)	26 700	23 781		(2 920)	89%	84%	20 710
Water	24 984	(19 508)	5 476	4 195		(1 281)	77%	17%	29 044
Waste water management	25 446	(17 711)	7 735	5 420		(2 316)	70%	21%	49 695
Waste management	-	1 215	1 215	1 177		(37)	97%	#DIV/0!	21 452
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Standard</b>	<b>99 914</b>	<b>35 305</b>	<b>135 219</b>	<b>124 588</b>	<b>-</b>	<b>(10 631)</b>	<b>92%</b>	<b>125%</b>	<b>195 481</b>
<b>Funded by:</b>									
National Government	56 337	(5 517)	50 820	50 125		(695)	99%	89%	34 373
Provincial Government	26 000	(23 352)	2 648	2 458		(190)	93%	9%	112 433
District Municipality	-	450	450	300		(150)	67%	#DIV/0!	71
Other transfers and grants	1 147	-	1 147	500		(647)	44%	44%	185
Transfers recognised - capital	83 484	(28 419)	55 065	53 383		(1 683)	97%	64%	147 062
Public contributions & donations	-	-	-	-		-	-	-	-
Borrowing	-	-	-	-		-	-	-	159
Internally generated funds	16 429	63 724	80 153	71 205		(8 948)	89%	433%	48 260
<b>Total Capital Funding</b>	<b>99 914</b>	<b>35 305</b>	<b>135 219</b>	<b>124 588</b>	<b>-</b>	<b>(10 631)</b>	<b>92%</b>	<b>125%</b>	<b>195 481</b>



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30 November 2021



**Appendix I Budget Cash Flow**

**WC025 Breede Valley - Reconciliation of Table A7 Budgeted Cash Flows**

Description	2020/21							2019/20
	Original Budget	Budget Adjustments (i.l.o.s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>								
<b>Receipts</b>								
Ratepayers and other	629 384	80 948	710 332	804 485	94 153	113.3%	127.8%	766 506
Government - operating	208 112	(41 148)	166 964	166 597	(367)	99.8%	80.1%	141 396
Government - capital	83 484	(29 067)	54 417	38 450	(15 967)	70.7%	46.1%	147 062
Interest	7 315	3 535	10 850	15 186	4 336	140.0%	207.6%	18 475
Dividends	-	-	-	-	-	-	-	-
<b>Payments</b>								
Suppliers and employees	(805 204)	(69 835)	(875 040)	(839 775)	35 265	96.0%	104.3%	(784 636)
Finance charges	(22 676)	0	(22 676)	(22 676)	(0)	100.0%	100.0%	(23 996)
Transfers and Grants	(65 605)	57 447	(8 158)	(4 452)	3 705	54.6%	6.8%	(5 163)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>34 810</b>	<b>1 880</b>	<b>36 690</b>	<b>157 815</b>	<b>121 125</b>	<b>430.1%</b>	<b>453.4%</b>	<b>259 644</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
<b>Receipts</b>								
Proceeds on disposal of PPE	-	-	-	4 024	4 024	#DIV/0!	#DIV/0!	(409)
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	50	-	50	1 143	1 093	2286.3%	2286.3%	(1 824)
Decrease (increase) in non-current investments	-	-	-	(85 000)	(85 000)	#DIV/0!	#DIV/0!	-
<b>Payments</b>								
Capital assets	(99 914)	(32 917)	(132 830)	(123 788)	9 042	93.2%	123.9%	(195 296)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(99 864)</b>	<b>(32 917)</b>	<b>(132 780)</b>	<b>(203 621)</b>	<b>(70 841)</b>	<b>153.4%</b>	<b>203.9%</b>	<b>(197 529)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
<b>Receipts</b>								
Short term loans	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	50	-	50	135	85	270.7%	270.7%	148
<b>Payments</b>								
Repayment of borrowing	(11 702)	-	(11 702)	(11 702)	0	100.0%	100.0%	(10 410)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(11 652)</b>	<b>-</b>	<b>(11 652)</b>	<b>(11 566)</b>	<b>85</b>	<b>99.3%</b>	<b>99.3%</b>	<b>(10 262)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(76 705)</b>	<b>(31 037)</b>	<b>(107 742)</b>	<b>(57 372)</b>				<b>51 853</b>
Cash/cash equivalents at the year begin:	100 031	61 689	161 720	146 720				94 867
Cash/cash equivalents at the year end:	23 325	30 652	53 978	89 348	35 370	165.5%	383.0%	146 720



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## BREDE VALLEY MUNICIPALITY

## Annual Financial Statements for the year ended 30 June 2021

## Appendix J: DEVIATIONS FOR THE 2020 2021 FINANCIAL YEAR

Date Deviation Application received by SCM	Directorate	Department	Reason for Deviation (category)	Deviation registered (reference Generated)	Amount approved	Service Provider/ Contractor/ Supplier
13/07/2020	COMMUNITY SERVICES	TRAFFIC AND LAW ENFORCEMENT SERVICES	EXCEPTIONAL CASE	BVD 375/2020	R100,000 PER MONTH	ANIMAL WELFARE SOCIETY
01/07/2020	COMMUNITY SERVICES	LIBRARIES	EXCEPTIONAL CASE	BVD 376/2020	RATES	MEDIA 24
01/07/2020	COMMUNITY SERVICES	LIBRARIES	EXCEPTIONAL CASE	BVD 377/2020	RATES	INDEPENDENT NEWSPAPER
16/07/2020	TECHNICAL SERVICES	PUBLIC WORKS	SOLE PROVIDER	BVD 378/2020	R35 218.99	BARLOWORLD EQUIPMENT
30/07/2020	STRATEGIC SUPPORT SERVICES	ADMINISTRATION	EXCEPTIONAL CASE	BVD 381/2020	R6,636,49 PER MONTH	VISION ELEVATORS/ SCHINDLERS LIFTS
08/07/2020	OFFICE OF THE MUNICIPAL MANAGER	INTERNAL AUDIT	EXCEPTIONAL CASE	BVD 382/2020	R207 564.65	SURTECH SOLUTIONS
10/7/2020.	COMMUNITY SERVICES	HUMAN SETTLEMENT WORKSHOP	SOLE PROVIDER	BVD 383/2020	RATES	SANITECH
18/07/2020	TECHNICAL SERVICES	WORKSHOP	EMERGENCY	BVD 384/2020	R5 000.00	WORCESTER BREAKDOWN SERVICES
01/07/2020	FINANCIAL SERVICES	SCMU	EXCEPTIONAL CASE	BVD 385/2020	RATES	FRANK VOS MOTORS , FRIEDSHELF, SENTRALE GARAGE AND GRAPE VALLEY FILL, JAFFE'S GARAGE, KAAP AGRI, RAWSONVILLE POMPSTASIE")
30/06/2020	TECHNICAL SERVICES	ELECTRICAL SUPPORT SERVICES	EMERGENCY	BVD 379/2020	R130 086.55	ABB SOUTH AFRICA (PTY) LTD
12/08/2020	TECHNICAL SERVICES	ELECTRICAL SUPPORT SERVICES	EMERGENCY	BVD 386/2020	R6 161.54	ADENCO CONSTRUCTION
12/08/2020	STRATEGIC SUPPORT SERVICES	COMMUNICATIONS	EXCEPTIONAL CASE	BVD 387 2020	R1 500 000.00	MEDIA 24 (BURGER AND WORCESTER STANDARD), INDEPENDENT NEWSPAPERS
12/08/2020	TECHNICAL SERVICES	BULK SERVICES	EMERGENCY	BVD 388/2020	R85 712.72	LJA CONSTRUCTION CC
14/08/2020	COMMUNITY SERVICES	TRAFFIC SERVICES	EXCEPTIONAL CASE	BVD 389/2020	R152 281.80	AC SECURITY
14/08/2020	COMMUNITY SERVICES	TRAFFIC SERVICES	EXCEPTIONAL CASE	BVD 390/2020	R227 514.96	HEXVALLEI SEKURITEIT
14/08/2020	COMMUNITY SERVICES	TRAFFIC SERVICES	EXCEPTIONAL CASE	BVD 391/2020	R25 730.04	CAPITAL SECURITY BOLAND
26/08/2020	TECHNICAL SERVICES	ELECTRICAL SUPPORT SERVICES	EMERGENCY	BVD 392/2020	R74 462.50	POWER TRANSFORMERS
27/08/2020	TECHNICAL SERVICES	SOLID WASTE	SOLE PROVIDER	BVD 393	R99 705.00	WYNLAND SKIPHIRE
2020/01/09	FINANCE	REVENUE	EXCEPTIONAL CASE	BVD 394	RATES	HCB PROPERTY VALUATIONS
2020/01/09	TECHNICAL SERVICE	WORKSHOP	EXCEPTIONAL CASE	BVD 395	R45 228.71	BARLOWORLD
2020/01/09	TECHNICAL SERVICES	WORKSHOP	EXCEPTIONAL CASE	BVD 396	R19 323.96	BARLOWORLD

## BREDE VALLEY MUNICIPALITY

## Annual Financial Statements for the year ended 30 June 2021

## Appendix J: DEVIATIONS FOR THE 2020 2021 FINANCIAL YEAR

Date Deviation Application received by SCM	Directorate	Department	Reason for Deviation (category)	Deviation registered (reference Generated)	Amount approved	Service Provider/ Contractor/ Supplier
2020/02/09	SSS	INTERNAL AUDIT	EXCEPTIONAL CASE	BVD 397	R 43 870.00	THE INSTITUTE OF INTERNAL AUDITORS
2020/03/09	COMMUNITY SERVICES	TRAFFIC	EXCEPTIONAL CASE	BVD 398	R2 047 364.50	SECURITEM
2020/03/09	SSS	ADMINISTRATATION & SUPPORT SERVICES	EXCEPTIONAL CASE	BVD 399	R2 817.50	FRAMA
2020/08/09	TECHNICAL SERVICES	BULK SERVICES	EMERGENCY	BVD 400	R10 810.00	WINTERBACH BROERS
21/9/2020	TECHNICAL SERVICES	WATER SERVICES	EMERGENCY	BVD 401	R71 134.11	TRICOM AFRICA
21/9/2020	TECHNICAL SERVICES	WATER SERVICES	EMERGENCY	BVD 402	R53 933.85	STRYDOM ARMATURE WINDERS
22/9/2020	SSS	LEGAL	EXCEPTIONAL CASE	BVD 403	R200 000.00	WEBBER WENTZEL ATTORNEYS
22/9/2020	SSS	LEGAL	EXCEPTIONAL CASE	BVD 404	R300 000.00	WEBBER WENTZEL ATTORNEYS
23/9/2020	SSS	ICT	SOLE PROVIDER	BVD 405/ 202	R4 787 264.07	MICROSOFT IRELAND OPERATIONS
2020/05/10	SSS	LEGAL	EXCEPTIONAL CASE	BVD 406	R25 000.00	CONRADIE & PARTNERS
2020/05/10	COMMUNITY SERVICES	TRAFFIC	EXCEPTIONAL CASE	BVD 407		SECURITEM
16/10/2020	TECHNICAL SERVICES	WWTW	EMERGENCY	BVD 408	R74 350.09	GW TRAUTMAN
16/10/2020	TECHNICAL SERVICES	WWTW	EMERGENCY	BVD 409	R90 543.64	TRICOM AFRICA
19/10/2020	TECHNICAL SERVICES	WATER SERVICES	EMERGENCY	BVD 410	R161 747.50	WINTERBACH BROERS
30/10/2020	FINANCE	STORES	EMERGENCY	BVD 411	R3 177.50	GPS SALES AND TRAINING
30/10/2020	COMMUNITY SERVICES	TRAFFIC	EXCEPTIONAL CASE	BVD 412	R66 413.50	ANIMAL WELFARE
13/11/2020	TECHNICAL SERVICES	WORKSHOP	SOLE PROVIDER	BVD 413	R18 293.64	BARLOWORLD
25/11/2020	SSS	ICT	EXCEPTIONAL CASE	BVD 414	R9 591.00	EMERALD INFRASTRUCTURE SOLUTIONS
2020/07/12	TECHNICAL SERVICES	ELECTRICITY	SOLE PROVIDER	BVD 415	R3 942.20	KOCOS MEASUREMENT + CONTROL
25/11/2020	SSS	ICT	EXCEPTIONAL CASE	BVD 416	R16 084.19	MEYCOM
2020/01/04	TECHNICAL SERVICES	ELECTRICITY	EMERGENCY	BVD 417	R36 337.15	LTS SECURITY
17/12/2020	COMMUNITY SERVICES	TRAFFIC	SOLE PROVIDER	BVD 418	R15 989.37	TRUVELO AFRICA
22/12/2020	SSS	LEGAL	EXCEPTIONAL CASE	BVD 419	R30 000.00	VISION/ SCHINDLERS ELEVATORS
14/01/2021	TECHNICAL SERVICES	WATER SERVICES	EMERGENCY	BVD 420	R124 260.00	BENZMARK/ ENKOSI CONSTRUCTION
	TECHNICAL SERVICES	ELECTRICITY	EXCEPTIONAL CASE	BVD 421	R35 379.35	CBI ELECTRIC
2020/01/02	TECHNICAL SERVICES	ELECTRICITY	EXCEPTIONAL CASE	BVD 422	R5 020.33	HYPOWER
2021/12/02	SSS	LEGAL	SOLE PROVIDER	BVD 423	R7 088.50	FRAMA
	SSS	ICT	EXCEPTIONAL CASE	BVD 424	R214 733.18	DATATEGRA
2021/11/02	SSS	LEGAL	EXCEPTIONAL CASE	BVD 425	R10 885.00	MANIE'S VERKOELING
24/02/2021	PUBLIC SERVICES	DE DOORNS	EMERGENCY	BVD 426	R14 950.00	WINTERBACH BROERS



BREDE VALLEY MUNICIPALITY						
Annual Financial Statements for the year ended 30 June 2021						
Appendix J: DEVIATIONS FOR THE 2020 2021 FINANCIAL YEAR						
Date Deviation Application received by SCM	Directorate	Department	Reason for Deviation (category)	Deviation registered (reference Generated)	Amount approved	Service Provider/ Contractor/ Supplier
24/02/2021	FINANCE	WORKSHOP	EMERGENCY	BVD 427	R6 384.09	PRIMA BANDEE T/A TYREMART
25/02/2021	SSS	Administration and Support Services.	EXCEPTIONAL CASE	BVD 428	R21 495.27	VISION/ SCHINDLERS EVEVATORS
2021/12/03	SSS	HR	EXCEPTIONAL CASE	BVD 429	R4 598.85	Build Environment Skills & Training
30/03/2021	TRAFFIC	COMMUNITY SERV	EXCEPTIONAL CASE	BVD 430	R332 067.50	ANIMAL WELFARE
30/03/2021	TRAFFIC	COMMUNITY SERV	EXCEPTIONAL CASE	BVD 431	R3 070 029.50	SECURITEM
31/03/2021	FINANCE	WORKSHOP	EXCEPTIONAL CASE	BVD 432	R42 039.39	SPECIALISED MUNICIPAL EQUIPMENT
2021/01/04	WATER & SEWER NETWORKD	PUBLIC SERVICES	EMERGENCY	BVD 433	R5 060.00	UNIVERSAL TRADING
14/04/2021	MM	ICT	EXCEPTIONAL CASE	BVD 434	R195 500.00	SURTECH SOLUTIONS
19/04/2021	FINANCE	WORKSHOP	EXCEPTIONAL CASE	BVD 435	RATES UP TO R100 000	TRENTYRE
14/04/2021	TECHNICAL SERVICES	ELECTRICITY	EMERGENCY	BVD 436	R18 504.18	EYA BANTU PROFESSIONAL SERVICES
14/04/2021	MM	AUDIT	EXCEPTIONAL CASE	BVD 437	R14 791.88	THE INSTITUTE OF INTERNAL AUDITORS
2021/12/04	FINANCE	FIN PLANNING	EXCEPTIONAL CASE	BVD 438	R80 309.10	ADAPT IT
15/04/2021	FINANCE	WORKSHOP	EXCEPTIONAL CASE	BVD 439	R22 345.83	WORC NISSAN
15/04/2021	FINANCE	WORKSHOP	EXCEPTIONAL CASE	BVD 440	R15 802.15	TONYS
15/04/2021	FINANCE	WORKSHOP	EXCEPTIONAL CASE	BVD 441	R58 525.68	AAD TRUCK
15/04/2021	FINANCE	WORKSHOP	EMERGENCY	BVD 442	R3 500.00	WORC BREAKDOWN SERVICES
22/04/2021	SSS	LEGAL	EXCEPTIONAL CASE	BVD 443	R200 000.00	BRADLEY CONRADIE
22/04/2021	SSS	LEGAL	EXCEPTIONAL CASE	BVD 444	R49 647.80	FAIRBRIDGES
19/04/2021	SSS	ADMIN	EXCEPTIONAL CASE	BVD 445	R28 400.00	FRAMA
19/04/2021	COMMUNITY SERVICES	LIBRARY	EXCEPTIONAL CASE	BVD 446	R3 260.00	LIASA
15/04/2021	FINANCE	WORKSHOP	EXCEPTIONAL CASE	BVD 447	R10 508.72	JAFFES FORD
28/04/2021	SSS	LEGAL	EXCEPTIONAL CASE	BVD 448	1800 RATES	ELTON SHORTLES ATTORNEYS
2021/05/05	FINANCE	FINANCE	EXCEPTIONAL CASE	BVD 449	200 000	CIGFARO
2021/12/05	SSS	ICT	EXCEPTIONAL CASE	BVD 450	R72 456.00	SITHABILE TECHNICAL SOLUTIONS
2021/12/05	PUBLIC SERVICES	WATER SERVICES	EMERGENCY	BVD 451	R12 477.50	TURBOLEAD
25/5/2021	SSS	ADMIN	EMERGENCY	BVD 452	R8 444.21	ASCEND ROPE ACCESS
26/5/2021	SSS	LEGAL	EXCEPTIONAL CASE	BVD 453	RATES	MULLER, TERBLANCHE & BEYERS
27/05/2021	SSS	HR	EXCEPTIONAL CASE	BVD 454	R965 294.80	APPLICI
2021/03/06	FINANCE	FINANCIAL PLANNING	EXCEPTIONAL CASE	BVD 455	R5 990.00	GLOBAL PROSPECTUS TRAINING
2021/08/06	SSS	ICT	EXCEPTIONAL CASE	BVD 456	R1 282 582.32	NEO TECHNOLOGIES

BREDE VALLEY MUNICIPALITY						
Annual Financial Statements for the year ended 30 June 2021						
Appendix J: DEVIATIONS FOR THE 2020 2021 FINANCIAL YEAR						
Date Deviation Application received by SCM	Directorate	Department	Reason for Deviation (category)	Deviation registered (reference Generated)	Amount approved	Service Provider/ Contractor/ Supplier
2021/08/06		TOUWSRIVIER	EMERGENCY	BVD 457	R4 140.00	WINTERBACH BROERS
23/06/2021	SSS	ADMIN	EMERGENCY	BVD 458	R69 284.03	ASCEND ROPE ACCESS
					<b>R17 698 410.39</b>	



**BREED VALLEY MUNICIPALITY**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**  
**APPENDIX K: INVESTMENTS**

Date Invested	Institution	ID	Account Number	Rate	Period	Amount	Maturity Date	Withdrawn	Date Received	Receipt Number	Expected Interest	Interest Received	Difference
											0.00		0.00
29-Jan-20	STANDARD	344	288460898-050	7.550%	154	5 000 000	01-Jul-20	5 000 000	07-Jul-20	6000233060	159 273.97	159 273.97	0.00
26-Feb-20	STANDARD	349	288460898-053	7.500%	154	5 000 000	29-Jul-20	5 000 000	29-Jul-20	5000414739	158 219.18	158 219.18	0.00
											0.00		0.00
												317 493.15	0.00
											0.00		0.00
26-Feb-20	NEDBANK	350	03/7881531576/278	7.60%	182	5 000 000	26-Aug-20	5 000 000	26-Aug-20	4000428598	189 479.45	189 479.45	0.00
28-Jul-20	FNB	351	74860881869	4.03%	30	5 000 000	27-Aug-20	5 000 000	27-Aug-20	5000415537	16 561.64	16 561.64	0.00
28-Jul-20	ABSA	352	2079330373	4.13%	34	5 000 000	31-Aug-20	5 000 000	31-Aug-20	5000415633	19 235.62	19 235.62	0.00
28-Jul-20	NEDBANK	353	03/7881531576/279	4.25%	34	5 000 000	31-Aug-20	5 000 000	31-Aug-20	5000415594	19 794.52	19 794.52	0.00
28-Jul-20	STANDARD	354	288460898-054	4.400%	34	5 000 000	31-Aug-20	5 000 000	31-Aug-20	5000415611	20 493.15	20 493.15	0.00
											0.00		0.00
												265 564.38	0.00
28-Jul-20	ABSA	355	2079331311	4.18%	62	10 000 000	28-Sep-20	10 000 000	28-Sep-20	5000416395	71 002.74	71 002.74	0.00
28-Jul-20	NEDBANK	356	03/7881531576/280	4.35%	62	15 000 000	28-Sep-20	15 000 000	28-Sep-20	5000416394	110 835.62	110 835.62	0.00
28-Jul-20	STANDARD	357	288460898-055	4.450%	62	15 000 000	28-Sep-20	15 000 000	28-Sep-20	5000416396	113 383.56	113 383.56	0.00
											0.00		0.00
												295 221.92	0.00
28-Jul-20	NEDBANK	358	03/7881531576/281	4.40%	91	5 000 000	27-Oct-20	5 000 000	28-Oct-20	4000431075	54 849.32	54 849.32	0.00
28-Jul-20	STANDARD	359	288460898-056	4.500%	92	5 000 000	28-Oct-20	5 000 000	29-Oct-20	5000417373	56 712.33	56 712.33	0.00
											0.00		0.00
												111 561.65	0.00
26-Aug-20	FNB	364	74864639149	3.81%	90	5 000 000	24-Nov-20	5 000 000	24-Nov-20	3000427027	46 972.60	46 972.60	0.00
26-Aug-20	ABSA	365	2079382477	3.92%	92	5 000 000	26-Nov-20	5 000 000	26-Nov-20	2000327008	49 402.74	49 402.74	0.00
26-Aug-20	STANDARD	366	288460898-058	4.000%	92	5 000 000	26-Nov-20	5 000 000	26-Nov-20	2000326995	50 410.96	50 410.96	0.00
28-Jul-20	STANDARD	360	288460898-057	4.525%	122	5 000 000	27-Nov-20	5 000 000	27-Nov-20	4000431999	75 623.29	75 623.29	0.00
28-Jul-20	NEDBANK	361	03/7881531576/282	4.40%	125	5 000 000	30-Nov-20	5 000 000	30-Nov-20	3000427235	75 342.47	75 342.47	0.00
											0.00		0.00
												297 752.06	0.00
28-Jul-20	ABSA	362	2079330624	4.25%	153	5 000 000	28-Dec-20	5 000 000	24-Dec-20	5000419442	89 075.34	89 075.34	0.00
28-Jul-20	FNB	363	74860880184	4.21%	153	5 000 000	28-Dec-20	5 000 000	24-Dec-20	5000419444	88 236.99	88 236.99	0.00
26-Aug-20	ABSA	367	2079382508	3.94%	124	5 000 000	28-Dec-20	5 000 000	24-Dec-20	5000419443	66 926.03	66 926.03	0.00
26-Aug-20	STANDARD	368	288460898-059	4.025%	124	5 000 000	28-Dec-20	5 000 000	24-Dec-20	5000419445	68 369.86	68 369.86	0.00
											0.00		0.00
												312 608.22	0.00
17/Dec-20	FNB	389	74880054785	3.85%	32	10 000 000	18/Jan/21	10 000 000	18/Jan/21	5000420210	33 753.42	33 753.41	0.01
28-Oct-20	ABSA	374	2079483483	3.78%	90	5 000 000	26-Jan-21	5 000 000	26-Jan-21	5000420399	46 602.74	46 602.74	0.00
28-Oct-20	STANDARD	375	288460898-062	3.900%	92	5 000 000	28-Jan-21	5 000 000	29-Jan-21	5000420553	49 150.68	49 150.68	0.00
											0.00		0.00
												129 506.83	0.00
26-Aug-20	FNB	369	74864638498	3.96%	182	5 000 000	24-Feb-21	5 000 000	24-Feb-21	5000421645	98 728.77	98 728.76	0.01
26-Aug-20	STANDARD	370	288460898-060	4.100%	184	5 000 000	26-Feb-21	5 000 000	26-Feb-21	5000421757	103 342.47	103 342.47	0.00
26-Aug-20	NEDBANK	371	03/7881531576/283	3.90%	184	5 000 000	26-Feb-21	5 000 000	26-Feb-21	5000421722	98 301.37	98 301.37	0.00
28-Oct-20	NEDBANK	376	03/7881531576/284	3.76%	121	5 000 000	26-Feb-21	5 000 000	26-Feb-21	5000421721	62 323.29	62 323.29	0.00
											0.00		0.00
												362 695.89	0.00
28-Oct-20	STANDARD	377	288460898-063	3.925%	124	5 000 000	01-Mar-21	5 000 000	01-Mar-21	5000421798	66 671.23	66 671.23	0.00
26-Aug-20	ABSA	372	2079382320	4.00%	212	5 000 000	26-Mar-21	5 000 000	26-Mar-21	5000422605	116 164.38	116 164.38	0.00
26/Nov/20	NEDBANK	382	03/7881531576/286	3.90%	120	5 000 000	26/Mar/21	5 000 000	26/Mar/21	5000422595	64 109.59	64 109.59	0.00
26-Aug-20	STANDARD	373	288460898-061	4.125%	215	5 000 000	29-Mar-21	5 000 000	29-Mar-21	5000422670	121 489.73	121 489.73	0.00
28-Oct-20	ABSA	378	2079483637	3.73%	152	5 000 000	29-Mar-21	5 000 000	29-Mar-21	5000422671	77 665.75	77 665.75	0.00
28-Oct-20	NEDBANK	379	03/7881531576/285	3.79%	152	5 000 000	29-Mar-21	5 000 000	29-Mar-21	5000422658	78 915.07	78 915.07	0.00
28-Oct-20	FNB	380	74873662967	3.75%	152	5 000 000	29-Mar-21	5 000 000	29-Mar-21	5000422657	78 082.19	78 082.19	0.00
28-Oct-20	STANDARD	381	288460898-064	3.925%	152	5 000 000	29-Mar-21	5 000 000	29-Mar-21	5000422668	81 726.03	81 726.03	0.00
											0.00		0.00
												684 823.97	0.00
17/Dec/20	NEDBANK	390	03/7881531576/288	4.30%	123	5 000 000	19/Apr/21	5 000 000	19/Apr/21	4000437246	72 452.05	72 452.05	0.00
17/Dec/20	STANDARD	391	288460898-067	4.550%	123	5 000 000	19/Apr/21	5 000 000	19/Apr/21	4000437251	76 664.38	76 664.38	0.00
26/Nov/20	FNB	383	74877492211	3.93%	151	5 000 000	26/Apr/21	5 000 000	26/Apr/21	2000329982	81 291.78	81 291.78	0.00
26/Nov/20	STANDARD	384	288460898-065	4.050%	153	10 000 000	28/Apr/21	10 000 000	29/Apr/21	5000423519	169 767.12	169 767.12	0.00
											0.00		0.00
												400 175.33	0.00
17/Dec/20	NEDBANK	392	03/7881531576/289	4.40%	151	5 000 000	17/May/21	5 000 000	17/May/21	5000424194	91 013.70	91 013.70	0.00
17/Dec/20	STANDARD	393	288460898-068	4.625%	151	5 000 000	17/May/21	5 000 000	17/May/21	5000424237	95 667.81	95 667.81	0.00
26/Nov/20	NEDBANK	385	03/7881531576/287	3.97%	181	5 000 000	26/May/21	5 000 000	26/May/21	5000424534	98 434.25	98 434.25	0.00
26/Nov/20	INVESTEC	386	J810494786	3.60%	182	5 000 000	27/May/21	5 000 000	27/May/21	5000424600	89 753.42	89 753.42	0.00
											0.00		0.00
												374 869.18	0.00





**BREED VALLEY MUNICIPALITY**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**  
**APPENDIX K: INVESTMENTS**

Date Invested	Institution	ID	Account Number	Rate	Period	Amount	Maturity Date	Withdrawn	Date Received	Receipt Number	Expected Interest	Interest Received	Difference
17/Dec/20	NEDBANK	394	03/7881531576/290	4.45%	182	5 000 000	17/Jun/21	5 000 000	17/Jun/21	5000425099	110 945.21	110 945.21	0.00
17/Dec/20	STANDARD	395	288460898-069	4.700%	182	5 000 000	17/Jun/21	5 000 000	17/Jun/21	5000425100	117 178.08	117 178.08	0.00
26/Nov/20	ABSA	387	2079524441	3.85%	214	5 000 000	28/Jun/21	5 000 000	28/Jun/21	2000331722	112 863.01	112 863.01	0.00
26/Nov/20	STANDARD	388	288460898-066	4.100%	214	5 000 000	28/Jun/21	5 000 000	28/Jun/21	2000331723	120 191.78	120 191.78	0.00
											0.00	461 178.08	0.00
17/Dec/20	NEDBANK	396	03/7881531576/291	4.50%	214	5 000 000	19/Jul/21				131 917.81		131 917.81
17/Dec/20	STANDARD	397	288460898-070	4.750%	214	5 000 000	19/Jul/21				139 246.58		139 246.58
26/Jan/21	NEDBANK	398	03/7881531576	4.55%	181	5 000 000	26/Jul/21				112 815.07		112 815.07
											0.00	0.00	0.00
22/Apr/21	NEDBANK	410	03/7881531576/297	4.55%	123	5 000 000	23/Aug/21				76 664.38		76 664.38
26/Jan/21	ABSA	399	2079605435	4.35%	212	5 000 000	26/Aug/21				126 328.77		126 328.77
26/Jan/21	STANDARD	400	284607898-071	4.525%	212	5 000 000	26/Aug/21				131 410.96		131 410.96
											0.00	0.00	0.00
22/Apr/21	ABSA	411	2079768611	4.39%	153	5 000 000	22/Sep/21				92 009.59		92 009.59
23/Feb/21	ABSA	402	2079654997	4.48%	212	5 000 000	23/Sep/21				130 104.11		130 104.11
23/Feb/21	NEDBANK	403	03/7881531576/294	4.65%	212	5 000 000	23/Sep/21				135 041.10		135 041.10
26/Jan/21	NEDBANK	401	03/7881531576/293	4.65%	244	5 000 000	27/Sep/21				155 424.66		155 424.66
24/Mar/21	ABSA	405	2079710278	4.59%	187	5 000 000	27/Sep/21				117 579.45		117 579.45
											0.00	0.00	0.00
23/Feb/21	NEDBANK	404	03/7881531576/295	4.70%	244	5 000 000	25/Oct/21				157 095.89		157 095.89
24/Mar/21	ABSA	406	2079710317	4.63%	215	5 000 000	25/Oct/21				136 363.01		136 363.01
24/Mar/21	FNB	407	74892725639	4.40%	215	5 000 000	25/Oct/21				129 589.04		129 589.04
											0.00	0.00	0.00
22/Apr/21	STANDARD	412	288460898-073	4.725%	215	5 000 000	23/Nov/21				139 160.96		139 160.96
24/Mar/21	NEDBANK	408	03/7881531576/296	4.90%	245	5 000 000	24/Nov/21				164 452.05		164 452.05
24/Mar/21	STANDARD	409	288460898-072	4.875%	245	5 000 000	24/Nov/21				163 613.01		163 613.01
											0.00	0.00	0.00
22/Apr/21	NEDBANK	413	03/7881531576/298	4.85%	244	5 000 000	22/Dec/21				162 109.59		162 109.59
28/May/21	NEDBANK	414	03/7881531576/299	4.80%	214	5 000 000	28/Dec/21				140 712.33		140 712.33
28/May/21	FNB	415	74901523164	4.33%	214	5 000 000	28/Dec/21				126 934.25		126 934.25
											0.00	0.00	0.00
												0.00	0.00
						375 000 000		275 000 000			6 682 023.29	4 013 450.66	2 668 572.63
						<b>100 000 000</b>							



AUDITOR-GENERAL  
SOUTH AFRICA

Auditing to build public confidence

30 November 2021



# Annexure B

# Report of the auditor-general to Western Cape Provincial Parliament and Council of Breede Valley Municipality

## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of the Breede Valley Municipality set out on pages 1 to 107, which comprise the statement of financial position as at 30 June 2021, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Breede Valley Municipality as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act of South Africa 56 of 2003 and the Annual Division of Revenue Act 4 of 2020 (Dora).

### Context for the opinion

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

### Emphasis of matter

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

### Uncertainty relating to the future outcome of exceptional litigation

7. As disclosed in note 46 of the financial statements, the municipality is the defendant in a R31 million contractual claim. The municipality is opposing the claim. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

## Material impairment of debtors

8. As disclosed in note 34 to the financial statements, the municipality provided for the impairment of receivables from exchange transactions to the amount of R36,4 million (2019-20: R37,45 million).
9. As disclosed in note 34 to the financial statements, the municipality provided for the impairment of receivables from non-exchange transactions to the amount of R40,73 million (2019-20: R53,06 million).

## Other matter

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

## Unaudited disclosure note

11. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, we do not express an opinion thereon.

## Unaudited supplementary schedules

12. The supplementary information set out on pages 109 to 148 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

## Responsibilities of the accounting officer for the financial statements

13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
14. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

## Auditor-general's responsibilities for the audit of the financial statements

15. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

**Report on the audit of the annual performance report**

**Introduction and scope**

17. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
18. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
19. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objective presented in the municipality's annual performance report for the year ended 30 June 2021:

<b>Objective</b>	<b>Pages in the annual performance report</b>
Strategic objective 6 – assure a sustainable future through sound financial management, continuous revenue growth, corporate governance and risk management practices	16 – 19

20. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
21. I did not identify any material findings on the usefulness and reliability of the reported performance information for this objective:
- Strategic objective 6 – assure a sustainable future through sound financial management, continuous revenue growth, corporate governance and risk management practices



## **Other matter**

22. I draw attention to the matter below.

### **Achievement of planned targets**

23. Refer to the annual performance report on pages 16 to 19 for information on the achievement of planned targets for the year.

## **Report on the audit of compliance with legislation**

### **Introduction and scope**

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

## **Other information**

26. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the mayor's report and the audit committee's report. The other information does not include the financial statements, the auditor's report and the selected objective presented in the annual performance report that have been specifically reported in this auditor's report.
27. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
28. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objective presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

## Internal control deficiencies

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

Auditor - General

Cape Town

30 November 2021



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

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

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

### **Financial statements**

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

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

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and

other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.



# Annexure C

## REPORT OF THE AUDIT COMMITTEE TO THE EXECUTIVE MAYORAL COMMITTEE AND COUNCIL OF THE BREEDE VALLEY MUNICIPALITY

The Audit Committee was established as an independent Committee, in terms of S166 of the MFMA Act No. 56 of 2003. The Committee has adopted formal terms of reference, which are regularly updated and approved by Council.

The Committee presents its report for the financial year ended 30 June 2021.

### AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The Committee, consisting of the members listed below, should meet at least four times per annum as per its approved Terms of Reference (TOR), although additional special meetings may be called as the need arises. During the year under review, four Audit Committee meetings were held.

The Committee also met with Internal Audit separately and representatives from Senior Management, Risk Fraud & Corruption Management Committee and the Auditor-General attended audit committee meetings held during the year under review.

Name of member	Qualifications	Tenure Period	Capacity	Number of meetings attended
Mariaan Roos	PhD, CA(SA), Higher Diploma in Company Law, Master of Commerce in Auditing,	1st term: 1 July 2017 Appointed Chairperson on 27 May 2020	Chairperson	4
June Williams	CA(SA), B Com Hons, B Sc Hons, H Dip Ed	1st term: 1 March 2019	Member	4
Shahied Allied	Post Graduate Diploma Business Management, ND: Cost Accounting	1st term: 1 March 2019	Member	4

### AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee reports that it has complied with its responsibilities arising from **Sections 165 and 166** of the **Municipal Finance Management Act (MFMA)**.

The Audit Committee reports that it has adopted an appropriate TOR, has regulated its affairs in compliance with the TOR and has discharged all its responsibilities as contained therein. The outbreak of the COVID-19 pandemic and the subsequent lockdowns had a significant impact on the country, the people and local government, including the Breede Valley Municipality for the 2019/2020 and 2020/2021 financial years. This report covers the period 1 July 2020 to 30 June 2021.

## **REVIEW AND EVALUATION OF THE ANNUAL FINANCIAL STATEMENTS**

One of the key responsibilities of the Audit Committee is the review and evaluation of the Annual Financial Statements. The Audit Committee reviewed the 2020/21 Annual Financial Statements during the meeting held on 25 August 2021 prior to submission to the Auditor-General (SA). During the meeting the Audit Committee provided comprehensive inputs to management for consideration in the finalisation of the Annual Financial Statements.

These financial statements are prepared in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and in the manner required by the Local Government: Municipal Finance Management Act of South Africa, 2003 (Act No 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2009 (Act No 12 of 2009) (DORA). Management should continue to strengthen their review of controls over the preparation of financial statements to ensure they are in accordance with the applicable accounting framework and to prevent misstatements and errors from occurring.

### **Report of the Auditor-General South Africa**

The Audit Committee received the Final Management Report and Audit Report on 30 November 2021 and would like to congratulate management and all staff that contributed to the positive audit outcome. The Breede Valley Municipality maintained their financially unqualified audit opinion with no material findings on audit of performance information and findings on compliance with applicable laws and regulations. Indeed, an achievement for two difficult years because of the Covid-19 pandemic. The positive audit outcome demonstrates strong leadership of the municipality and the implementation of sound controls.

## **EFFICIENCY AND EFFECTIVENESS OF INTERNAL CONTROL**

The Committee has considered the work performed by Internal Audit on a quarterly basis. From the reports issued by Internal Audit regarding follow-up on implementation of audit findings, it appears as if the implementation has improved.

In line with section 62 (1) (c) (ii) of the MFMA, Internal Audit provides the Audit Committee and Management with reasonable assurance that the internal controls are adequate and effective. This is achieved by an approved risk-based internal audit plan, Internal Audit assessing the adequacy of controls mitigating the risks and the Audit Committee monitoring implementation of corrective actions.

As a result of the COVID-19 impact Internal Audit had to revise the risk-based audit plan. Planned audits on Human Resources Skills Development, Recycling, Operational Performance Management, Supply Chain Management and Water Safety and Security consulting assignment did not materialise. This was mainly due to emerging COVID-19 risks, the impact of COVID-19 due to work from home functionality, remote access, and connectivity challenges as well as availability of audit clients. Despite the challenges Internal Audit was able to complete 100% of the revised plan. The following assurance engagements were completed in accordance with the revised 2020/21 Internal Audit Plan:

- Inventory Management
- Property Management
- Auditing of Performance Information
- Labour Relations Process
- Town Planning and Building Control
- Housing Waiting List and Transhex Allocations
- Stores: Inventory Control

The Committee further wishes to draw attention to the following areas:

### **Information Systems**

The Municipality continued with the implementation of the SAGE Human Resource System. The Municipality has made further progress to improve control over IT systems including user access, security management and disaster recovery.

### **Resolving Internal Control Findings**

The Audit Committee receives quarterly feed-back on the extent of external and internal audit findings resolved. The different oversight bodies and individuals improved the monitoring of implementation of corrective actions and took required action where audit findings were not adequately addressed.

### **Combined Assurance Framework**

The municipality has adopted a formal combined assurance framework and has started embedding this with the coordination of internal and external audit efforts. For the 2020/21 audit external audit placed reliance on some of the work performed by the IAF on inventory and performance information, a positive step towards implementing combined assurance. Internal Audit further reports quarterly to the Audit Committee on combined assurance implementation. The Audit Committee will continue to monitor the progress in this regard.

## **ASSESSING AUDIT EFFECTIVENESS**

The Audit Committee reviews internal audit quality throughout the year with an emphasis on audit governance, methodology, independence, scope of work and outputs in terms of value add. The committee is impressed with the work ethics and high standard of the work performed.

## **INDEPENDENCE STATEMENT**

The External Audit activities are performed by the Office of the Auditor-General (SA).

The Internal Audit activities are completed by the Internal Audit Function that performs the work in terms of an Internal Audit Charter and a risk-based internal audit plan approved by the Audit Committee.

The independence statements of both service providers are tabled at the Audit Committee on an annual basis.

## **PERFORMANCE MEASUREMENT**

The Committee has reviewed and given consideration to the in-year performance reports and performance results reported by management. Continuous improvements were noted in the effectiveness of the processes and the quality of information reported. During the external audit of performance information, no misstatements were identified. This indicates the controls the municipality put in place to address the prior year findings, were effective and efficient. The Audit Committee will continue to review the implementation of controls to ensure accurate and complete recording.

## **RISK MANAGEMENT**

Risk management has been fully embedded at the municipality. The Audit Committee reviewed the minutes of the Risk Committee together with other risk information. Reports on



risk management submitted to the Audit Committee on a quarterly basis requires fine tuning in terms of focus and the volume of information provided.

### **FINANCIAL MANAGEMENT**

The Audit Committee, on a quarterly basis, review the financial management reports that are submitted to Council. The Audit Committee provides a continuous oversight role into the financial performance of the Municipality throughout the year.

### **CONCLUSION**

The Audit committee accepts the AGSA's opinion regarding the Annual Financial Statements and proposes that these audited Annual Financial Statements be accepted and read together with the AGSA's report. The Committee wishes to express its appreciation to management, the Auditor-General, the IAF and all other personnel the Committee deals with for the support and positive relationship enabling the Audit Committee to perform its functions effectively.

A handwritten signature in dark ink, appearing to read 'M. Roos', is positioned above the printed name and title.

**Dr Mariaan Roos**  
**APAC Chairperson**  
**30/11/2021**