



CAPE WINELANDS DISTRICT
MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

ANNUAL REPORT

2021 - 2022



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ABBREVIATIONS

| Abbreviation | Description |
|--------------|---|
| AEL | Atmospheric Emission Licence |
| AIDS | Acquired Immune Deficiency Syndrome |
| AQMP | Air Quality Management Plan |
| AQO | Air Quality Officer |
| CAE | Chief Audit Executive |
| CSD | Central Supplier Database |
| CWDM | Cape Winelands District Municipality |
| CWDMC | Cape Winelands Disaster Management Centre |
| CW-RSEDS | Cape Winelands Regional Socio-Economic Development Strategy |
| EEM | Employee Efficiency Monitoring |
| EPWP | Expanded Public Works Programme |
| ERM | Enterprise Risk Management |
| FARMCO | Fraud and Risk Management Committee |
| GRAP | Generally Recognised Accounting Practice |
| HIV | Human Immunodeficiency Virus |
| IDRR | International Day for Risk Reduction |
| IDP | Integrated Development Plan |
| IT | Information Technology |
| JOC | Joint Operations Committee |
| KPI | Key Performance Indicator |
| LEPO | Law Enforcement by Peace Officers |
| MFMA | Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) |
| MHS | Municipal Health Services |
| MIG | Municipal Infrastructure Grant |
| MSA | Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) |
| MSAT | Multi Sectoral Action Team |
| NEMA | National Environmental Management Act, 1998 (Act No. 107 of 1998) |

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| | |
|-------------|---|
| NGO | Non-governmental organisation |
| PGWC | Provincial Government of the Western Cape |
| PTIG | Public Transport Infrastructure Grant |
| PTNOG | Public Transport Network Operation Grant |
| SALGA | South African Local Government Association |
| SANS | South African National Standards |
| SCM | Supply Chain Management |
| SDBIP | Service Delivery and Budget Implementation Plan |
| SDPs | Skills Development Providers |
| SMME | Small, medium and micro-sized enterprise |
| SPLUMA | Spatial Planning Land Use Management Act, 2013 (Act No. 16 of 2013) |
| WCG: DCAS | Western Cape Government: Department of Cultural Affairs and Sport |
| WCG: DEA&DP | Western Cape Government: Department of Environmental Affairs and Development Planning |
| WCG: DEDAT | Western Cape Government: Department of Economic Development and Tourism |
| WCG: DSD | Western Cape Government: Department of Social Development |
| WCG: DLG | Western Cape Government: Department of Local Government |
| WCG: DT&PW | Western Cape Government: Department of Transport and Public Works |
| QCTO | Quality Council for Trades and Occupations |



Map of Cape Winelands District



CHAPTER 1 - INTRODUCTION

1.1 EXECUTIVE MAYOR'S FOREWORD



Dear Reader

After more than two years of unprecedented times, it seems as if life is back to normal, but we cannot just focus on business as usual. South Africans were tenacious and resilient during an extremely difficult time and we are therefore confident that we can rewire, rethink and make bold decisions to set our sails to serve our communities. With that being said, the demands on us as a municipality are greater than ever before.

We must shift our focus to economic growth and find sustainable measures to ensure that all citizens in the Cape Winelands District can live a life of value. The damage caused by the pandemic is significant and the resources at our disposal to address this challenge are currently not sufficient. South Africans further struggle with the ever-growing cost of living and the shadow pandemic of hunger and unemployment. Keeping the aforementioned in mind, the Cape Winelands District Municipality must contribute as effectively and efficiently at a sustainable level as possible and, of course, within our mandated functions and the guidelines of the Constitution, to create an environment suitable for economic growth.

In a year of this unprecedented uncertainty caused by the aftereffects of Covid-19, loadshedding, and the ever-increasing cost of living, the Cape Winelands District Municipality, however, still achieved exceptional results. Despite the adverse conditions, I am very pleased with the performance of this municipality. To name but a few –

- Achievement of a ninth consecutive Clean Audit opinion from the Auditor-General South Africa;
- The Fire Services attended to a total of **1 549 calls** from 1 July 2021 to the period ending June 2022.
- 2550,63 hectares of alien vegetation were cleared through our various projects with more than 12 348 work opportunities created;
- More than 3 600 kilometres of roads were maintained;
- The regional landfill site for the Breede Valley, Witzenberg and Langeberg municipalities is in progress;

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- Upskilling our communities: 42 SMMEs and 10 small farmers/groupings had access to training in various financial and business management practices and 332 in tourism and disaster management training
- Sound financial position in terms of both solvency and liquidity ratio at year-end; and

The Cape Winelands District Municipality remains focused on making a positive difference in the lives of our communities and we must maintain our commitment to the highest standards of cooperative governance.

Going forward, my vision and plan for the municipality are perfectly encapsulated in the strategic goals of the Cape Winelands District Municipality, which will focus on job creation and economic growth, addressing safety needs in our district, and re-imagining our infrastructure. Poverty relief, humanitarian relief and the wellness of all our citizens will remain priorities in our package of services through innovation, intergovernmental cooperation, a working Joint District and Metro Approach (JDMA) and a Whole of Society Approach (WOSA) as part of our commitment to enhance economic growth through ensuring social and economic development of all communities.

The Cape Winelands District Municipality is ready to serve the community and indeed displays a pocket of excellence, which ready to further adapt our quality of services to the needs of all our people, living out the true meaning of the Batho Pele principles. I would like to thank our employees for continuously pushing forward, and for their loyalty, dedication and resilience.

ALD (DR) HELENA VON SCHLICHT
EXECUTIVE MAYOR

1.2 MUNICIPAL MANAGER'S FOREWORD

The period 1 July 2021 to 30 June 2022 was, once again, a difficult one. The COVID-19 pandemic was still with us - reaching every corner of the world and impacting millions of people worldwide. This pandemic presented the biggest challenge to us since inception and difficult decisions had to be made - saving lives and saving livelihoods, short-term costs and long-term impacts, etc. In this time, the Cape Winelands District Municipality focused on food security, poverty alleviation and education (amongst others) by assisting with various COVID-19 relief efforts.



As lockdown restrictions eased and economic activity increased, the proactive management of the impact of COVID-19 during the later stages of the 2021/2022 financial year allowed us to shift our focus back to creating sustainable value. Yes, this pandemic presented the biggest challenge ever experienced but it also gave us an opportunity to adapt and think differently. We saw quite a few innovative initiatives come to light during this time!

Despite the above-mentioned challenges, our finances remained healthy – both from a solvency as well as a liquidity perspective. In addition, we remained committed to pay our suppliers as soon as possible, well within the legislative requirements. In turn, this contributed to continuous local economic development in our area as well as assisting already struggling households and businesses with much-needed cash flow. All employees were considered for salary increases during this financial year and there were no retrenchments. Operationally, the business is sound. This is a result of the absolute commitment, hands-on approach and skills, from all levels of employees. There are, however, still day-to-day challenges faced by our Municipality due to the legislative environment within which we operate and other limiting factors and this continues to impact our performance.

Going forward, we will continue to work on mitigating our environmental impact, for example, by investigating our renewable energy options to counter the devastating impact of loadshedding. Long-term sustainability is becoming more important as all are battling with increased pressure on resources given growing populations, global warming, natural disasters and pandemics, etc.

I am exceptionally proud of the Cape Winelands District Municipality and our achievements this year. We've received our 9th consecutive "Clean Audit" and we've continued to raise the bar on

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service delivery in our area. As I look back over the last 5 years, I can clearly see how our initiatives have changed the lives of the people in the Cape Winelands for the better.

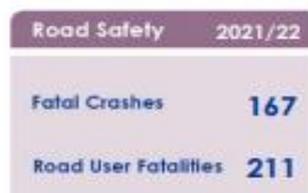
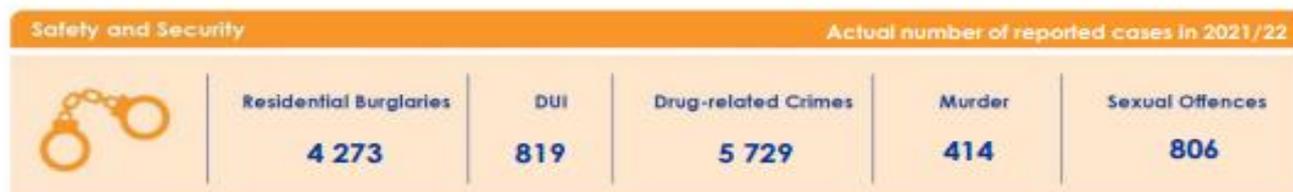
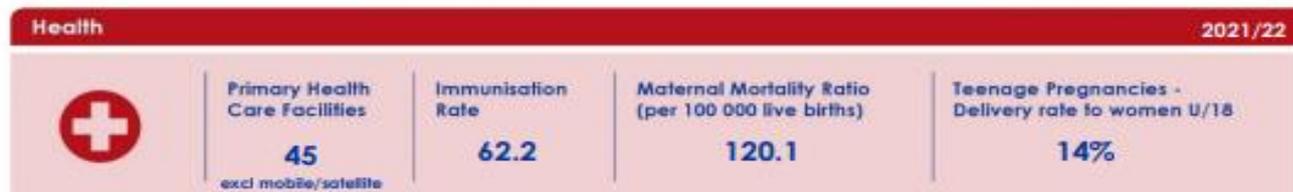
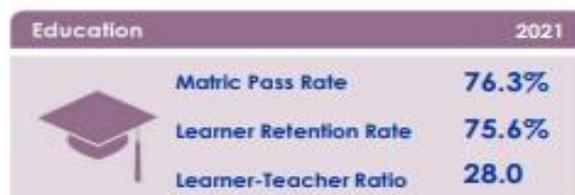
I am optimistic about the Cape Winelands District Municipality's future. The Executive Mayor, Council, Executive Management together with their teams have demonstrated true leadership strength in the toughest of times, looking after the business, employees and our stakeholders. I thank each and every one of you for the effort and commitment throughout a particularly challenging year.

A handwritten signature in black ink, appearing to read "H. Prins".

HENRY PRINS
MUNICIPAL MANAGER

1.3 MUNICIPAL DEMOGRAPHICS: AN OVERVIEW

Cape Winelands District: At a Glance



1.5 MUNICIPAL OVERVIEW – FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

| FINANCIAL OVERVIEW – 2021/2022 | | | |
|--|-----------------|--------------|--------------|
| R'000 | | | |
| Details | Approved Budget | Final Budget | Actual |
| Income | | | |
| Grants | 258 641 529 | 258 651 117 | 253 668 691 |
| Taxes, levies and tariffs | - | - | - |
| Other | 160 325 666 | 160 316 078 | 157 935 021 |
| Subtotal | 418 967.195 | 418 967 195 | 411 603 712 |
| Less expenditure | -420 175 340 | -420 175 340 | -376 970 751 |
| Transfers and subsidies – capital (monetary allocations) (national/provincial and district) | 1 208 145 | 1 208 145 | 54 315 |
| Transfers and subsidies – capital (in-kind) | - | - | 929 080 |
| Net total | - | - | 35 616 356 |

1.6 MUNICIPAL OVERVIEW – ORGANISATIONAL DEVELOPMENT

On 23 June 2022, the Municipal Manager approved the revised staff establishment of the Cape Winelands District Municipality (CWDM). The process to develop job descriptions for new, approved posts will now commence. The job descriptions will firstly be submitted to the Internal TASK Job Evaluation Committee who will establish whether the job descriptions meet the criteria as specified in the approved Revised Internal TASK Job Evaluation Policy, which was approved by Council under item C.15.1 on 26 May 2022. Secondly, the job descriptions will be submitted to the Regional TASK Job Evaluation Committee for job evaluation and thereafter to the SALGA Provincial Audit Committee for auditing. The implementation of the grading outcomes will only take place once the Municipal Manager received and signed off the outcomes report from the SALGA Provincial Audit Committee. The majority of posts on the staff establishment of the CWDM have approved job descriptions.

The Regional TASK Job Evaluation Unit established under the leadership of the CWDM, which includes participating municipalities within the area of jurisdiction of the CWDM, evaluated a total of 349 posts during the period 1 July 2021 to 30 June 2022, which were subsequently submitted to the SALGA Provincial Audit Committee.

Council adopted the Human Resource Management Strategy and plans on 29 June 2017 and the fourteen (14) Strategic Human Resources plans are assessed quarterly or bi-quarterly.

During the 2021/2022 financial year, the following new and revised policies were presented to management for their input. All the policies were circulated to the extended management team and to labour for their input. The policies below were approved by Council respectively at Item C.15.1 on 21 October 2021 and at Item C.15.1 on 26 May 2022:

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1. Revised Recruitment and Selection Policy
2. Medical Funds Administration Policy
3. Post-Retirement Medical Aid Benefits Policy
4. Induction Policy
5. Probation Period Policy
6. Exit Management Policy
7. Revised EAP Policy
8. Revised TASK Job Evaluation Policy
9. Revised Individual Performance Management Policy
10. Revised Education, Training and Development Policy
11. Revised Employee Study Aid and Leave Policy
12. Revised Mentoring and Coaching Policy
13. Revised Succession Planning and Career Pathing Policy
14. Revised Occupational Health and Safety Policy



CHAPTER 2 – GOVERNANCE

COMPONENT A: INTRODUCTION TO GOVERNANCE

Under the strong political leadership of the Democratic Alliance and with sound intergovernmental relations and administrative governance, the Cape Winelands District Municipality (CWDM) ensures public accountability and participation by all citizens and role-players in its area of jurisdiction.

POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

The CWDM ensures that all political parties represented in Council are also represented on the various committees of Council. This enhances a stable political environment and buy-in from all parties with regard to recommendations/resolutions and ensures that Council applies its mind to all matters.

Section 79 Committees of the CWDM consist of the following:

- Rules Committee; and
- Municipal Public Accounts Committee.

The main focus of Section 79 Committees is to ensure the effective and efficient performance of any of the municipal Council's functions or the exercising of any of the municipal Council's powers.

The following statutory committees have been established by the CWDM as required by legislation:

- Training Committee; and
- Local Labour Forum.

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

The Municipal Public Accounts Committee (MPAC) of the CWDM is established in terms of Section 79 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998). For transparency and ethical reasons, the chairperson is appointed from the membership of the political parties represented in the CWDM, other than the majority party.

The MPAC considers various matters, as contained in Chapter 9 of the Annual Report, and is considered essential to the running and sound political governance of the CWDM.

AUDIT & PERFORMANCE COMMITTEE

Section 166(1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) states that "each municipality and each municipal entity must have an audit committee" and section 166(4)(a) of the MFMA states that "an audit committee must consist of at least three persons with appropriate experience". The Audit Committee of the CWDM is an independent advisory body and currently consists of four members from the private sector who have

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been appointed by Council. With reference to the CWDM Audit Charter, the Audit Committee assists the Council by providing inputs to ensure effective systems that complement service delivery, the safeguarding of municipal assets, the maintenance of financial records, risk management, information technology (IT) governance, effective corporate governance, and an effective internal control system. The Audit and Performance Committee also investigates matters within the scope of the committee's duties, if referred by Council.

Furthermore, the Audit and Performance Committee provides independent specialist advice on financial performance, efficiency and effectiveness, performance management and compliance with legislation.

POLITICAL STRUCTURE



Ald (Dr) H von Schlicht
Executive Mayor



Ald M Sampson
Executive Deputy Mayor



Ald DD Joubert
Speaker



Cllr JHP Steyn
Portfolio Holder:
Economic Development



Cllr D Swart
Portfolio Holder:
Sport, Arts and Culture



Ald C Meyer
Portfolio Holder:
Disaster Management



Cllr XL Mdemka
Portfolio Holder:
Municipal Health



Ald R Farao
Portfolio Holder:
Fire Services



Cllr WC Petersen
Portfolio Holder:
Rural and Social Development



Cllr E Groenewald
Portfolio Holder:
Corporate Services



Cllr GJ Carinus
Portfolio Holder:
Technical Services



Cllr WM Blom
Whip of Council



COUNCILLORS

1 JULY 2021 TO 30 JUNE 2022

| | |
|-------------------------------------|----|
| Total number of Councillors: | 41 |
| Directly elected Councillors: | 24 |
| Proportionally elected Councillors: | 17 |

Attached as Appendix A is a full list of Councillors.

Attached as Appendix B is a list of committees and committee purposes.

POLITICAL DECISION MAKING

1 JULY 2021 TO 30 JUNE 2022

| | |
|--|-----------------------------------|
| Number of Council resolutions: | 148 (all resolutions implemented) |
| Number of Mayoral Committee resolutions: | Ordinary meetings – 76 |
| Number of Mayoral Committee resolutions: | Confidential meetings – 22 |
| Number of Mayoral Committee resolutions not tabled before Council: | None |

ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Municipal Manager primarily serves as chief custodian of service delivery and ensures the implementation of political priorities. During the 2021/2022 financial year, the Municipal Manager provided strategic and management leadership in various fields and projects.

Good governance has eight major characteristics, namely participatory, consensus-orientated, 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 taken into account and that the voices of the most vulnerable in society are heard in decision making. It is also responsive to the present and future needs of society.

The Municipal Manager identified the following focus areas:

- Basic service delivery that covers, inter alia, the effective management and maintenance of the infrastructure of the district municipality.
- Social upliftment and economic development as well as establishing an environment that is conducive to local economic development and the development of projects and strategies.
- The optimisation of financial resources through efficient financial management.
- Good governance that includes community participation, effective communication and sound municipal administration.
- The establishment of a safe community through efficient disaster management, fire services and environmental health.

Community participation in municipal decision making is of utmost importance and the Municipal Manager encouraged and created conditions for the local community to participate in the affairs of the district municipality through Integrated Development Plan (IDP) forums and meetings. During the 2021/2022 financial year, all Section 56 positions were filled. Interaction, as well as the ability to work with Section 56 appointees as an efficient management team, provided professional leadership, proving once again that the district municipality's human resources are our greatest asset. Interaction with the Executive Mayor and Portfolio Councillors has resulted in an effective governing body

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providing sound political leadership, which is essential for successful local governance.

The Municipal Manager had also developed a culture of municipal governance that complements formal representative government with a system of participatory governance. As 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 performance, including the outcomes and impact of such performance; and
- preparation of the municipal budget.

In terms of section 83(1)(c) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA), the Municipal Manager has implemented effective bidding structures to minimise the possibility of fraud and corruption. In terms of section 112(1)(m)(i) of the MFMA, the Municipal Manager has identified supply chain measures to be enforced to combat fraud and corruption, favouritism and unfair and irregular practices. Furthermore, in terms of section 115(1) of the MFMA, the Municipal Manager, as the accounting officer, has taken steps to ensure mechanisms and separation of duties in the supply chain management system to minimise the likelihood of corruption and fraud.

The Municipal Manager has also in terms of sections 165(2)(a) and (b)(iv) of the MFMA ensured the effective operation of the Internal Audit Unit. This unit has prepared a risk-based audit plan and an internal audit programme for the financial year and has advised the Municipal Manager on the implementation of the internal audit plan and matters relating to internal audit, internal controls, accounting procedures and practices, risk management, performance management and compliance with the MFMA and any other applicable legislation.

As local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community, and as statutory enactments all require high levels of transparency, accountability, openness, participatory democracy and direct communication with the communities, the Municipal Manager ensures that the district municipality's website serves as a tool for community communication. Furthermore, section 75 of the MFMA requires that municipalities publish key documents and information on their websites, including the IDP, the annual budget, adjustment budgets and budget-related documents and policies.

In terms of section 83(1) of the MFMA, the Municipal Manager, senior managers, the chief financial officer, non-financial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the MFMA. In view of the aforementioned, the Municipal Manager ensured that the necessary training was arranged for the officials of the district municipality in order to meet the competency levels prescribed in the regulations.

The MSA and the Local Government: Municipal Planning and Performance Management Regulations, 2001 require municipalities to adopt a performance management system. Once the IDP and budget were prepared and approved, the Municipal Manager ensured that the district municipality had prepared its Service Delivery and Budget Implementation Plan (SDBIP) in accordance with the MFMA and MFMA Circular 13. The SDBIP indicates performance targets and financial performance targets, and assigns responsibility to execute the respective performance targets. The district municipality assessed its performance on a regular basis and reported progress on performance against set targets to Council on a quarterly basis and ultimately presents the

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annual performance results in this Annual Report.

TOP ADMINISTRATIVE STRUCTURE



Mr HF Prins
Municipal Manager



Mr PA Williams
Executive Director:
Community Development and
Planning Services



Mr F van Eck
Executive Director:
Technical Services



Ms FA du Raan-Groenewald
Chief Financial Officer



COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO COOPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Good cooperative governance and intergovernmental relations are important to the CWDM as a sphere of government, due to the fact that the district municipality is often the first, or even the only sphere of government that citizens interact with on a regular basis, with specific reference to the rural areas.

Public confidence in the CWDM can only be assured by operating according to the requirements and spirit of cooperative governance and intergovernmental relations. The district municipality has the responsibility to govern its region, taking into account the abovementioned components to create an open society for all where results must meet the needs of society while making the best use of the limited resources at its disposal.

Intergovernmental relations give effect to good governance according to democratic principles and also provide a platform for effective public participation in the region. Through this process, the CWDM ensures that members of the public feel they have a stake in the district municipality. The district municipality also ensures that all role-players have the opportunity to improve or maintain their wellbeing.

INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

The CWDM actively participates in national intergovernmental structures and takes part in the agenda-setting process to ensure participation.

In this regard there are both direct and indirect engagement on a political and senior management level pertaining to the following structures: President's Coordinating Council, National Municipal Managers' Forums and the various SALGA Working Groups and various other structures.

Through this process and engagements, topics directly linked to the district municipality and local municipalities in the area of the CWDM are elevated to a national level, which ensures greater coordination and participation.

PROVINCIAL INTERGOVERNMENTAL STRUCTURES

The CWDM actively participates in all provincial intergovernmental structures and is committed to the agenda-setting process. In this regard there is direct engagement on a political and senior management level with regard to the following provincial structures: Premier's Coordinating Forum and Technical Committee, Western Cape Municipal Managers' Forum, Chief Financial Officers' Forum, Provincial IDP Managers' Forum, Provincial Communication Technical Forum, various SALGA Provincial Working Groups, Provincial Public Participation Forum, Provincial Risk and Chief Audit Executives Forums and others.

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Through this process, all agenda settings and engagement matters relating to the CWDM and local municipalities in its area of jurisdiction are elevated to a provincial level. This ensures that the JDMA matters are addressed at this level and more extensive coordination is ensured.

RELATIONSHIPS WITH MUNICIPAL ENTITIES

No municipal entities.

DISTRICT INTERGOVERNMENTAL STRUCTURES

Sound district intergovernmental structures are imperative to the CWDM and are driven by the District IDP, focusing on common goals for the district in collaboration with local municipalities within the district municipality's area of jurisdiction.

These common goals form part of the provincial and national key performance indicators (KPIs) and go hand in hand with the National Development Plan of South Africa. The following forums are operational at a district level: District Coordinating Forum and Technical Committee (Municipal Managers' Forum), District IDP Managers Forum, District Safety Forum, Disaster Management Advisory Forum, District Internal Audit and Risk Forum, as well as others.

Sound cooperation and intergovernmental relations at a district level are maintained and strengthened through lateral engagements on a regular basis between the district municipality and local municipalities within the CWDM's area of jurisdiction.

The benefits of sound intergovernmental relations at a district level ensure that problems are resolved to render a cost-effective service to the community that benefits the region as a whole through the elimination of duplication.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

The Cape Winelands District Municipality conducts meetings in collaboration with local municipalities situated in the municipal area of jurisdiction. The purpose the public participation and stakeholder meetings is to ensure joint planning for the IDP of the Cape Winelands District and local municipalities, which assists in strategy formulation for the region. It serves in a 'cleaning house' capacity for transversal issues of development and planning. Such meetings afford municipalities, community organisations and provincial departments the opportunity to share and communicate information on their current activities and thus facilitates intergovernmental planning and budgeting.

For the public participation process, the Cape Winelands District Municipality took the following steps:

- Posted public invitations on various social media platforms such as Facebook.
- Advertisements were placed in various local newspapers across the district.
- IDP- and budget-related documents were placed on the municipal website.
- Radio interviews (local radio stations) were held to involve the community in the process.
- CWDM Mayoral Business Cocktail – 8 June 2022.

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PUBLIC MEETINGS

Communication, participation and forums

The CWDM and the local municipalities in the district, namely the Drakenstein, Stellenbosch, Breede Valley, Witzenberg and Langeberg municipalities, as well as the Western Cape Government: Department of Local Government (WCG: DLG) are devoted to building strong government institutions that actively promote sustainable and integrated community development.

The District Public Participation Forum and Communication Technical Forum is a consultative forum aimed at increasing coordination, integration and communication between these three spheres of government through information sharing, dialogue, capacity building and consultation on matters of mutual interest.

WARD COMMITTEES

The CWDM does not have ward committees as they are a function of local municipalities in the district. These committees do however provide valuable support in terms of organising sectors and assisting with the mobilisation of citizens for public engagements, given their innate knowledge of their communities. It is well known that ward committee members are valuable resources for information.

| PUBLIC MEETINGS | | |
|--------------------------------------|---|--|
| Cape Winelands District Municipality | November 2021 | Public Participation meetings Worcester and Paarl |
| | February/ March 2022 | IDP/Budget Consultation Meetings Worcester and Paarl |
| | 8 June 2022 | Mayoral Business Cocktail |
| Stellenbosch Municipality | 14 November 2021 – 12 January 2022 4 – 22 April 2022 | No physical IDP meetings were held and the following approach was followed: <ul style="list-style-type: none"> • A link to prerecorded video presentations and an electronic submission form was made available and broadcast on the municipal communication platforms (YouTube, WhatsApp, Facebook, Twitter, Stellenbosch Citizen App, Municipal Website and email) • Community members were requested to complete the online written submission form, which was used as a basis to collate all community needs and priorities. |
| Drakenstein Municipality | 7 – 26 April 2022 | Open days |
| Langeberg Municipality | 4 – 12 April 2022 | Ward meetings |
| Breede Valley Municipality | 22 November 2021 – 9 December 2022 | Ward meetings |
| | 30 March – 18 April 2022 | |

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COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD

IDP PARTICIPATION AND ALIGNMENT

| IDP participation and alignment criteria* | Yes/No |
|---|--------|
| Does the municipality have impact, outcome, input, output indicators? | Yes |
| Does the IDP have priorities, objectives, KPIs, development strategies? | Yes |
| Does the IDP have multi-year targets? | Yes |
| Are the above aligned and can they calculate into a score? | Yes |
| Does the budget align directly with the KPIs in the strategic plan? | Yes |
| Do the IDP KPIs align with the Section 57 Managers? | Yes |
| Do the IDP KPIs lead to functional area KPIs as per the SDBIP? | Yes |
| Do the IDP KPIs align with the provincial KPIs on the 12 outcomes? | Yes |
| Were the indicators communicated to the public? | Yes |
| Were the four quarterly aligned reports submitted within stipulated timeframes? | Yes |



COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

Through corporate governance, the CWDM converges funds and builds relationships with various stakeholders to determine its mission and vision, with the goal of optimising resources to promote accountability and cost-effective services to the public.

In view of the fact that corporate governance determines the success or failure of a municipality, the CWDM closely monitors its business principles through policy guidelines, risk management and political oversight to ensure compliance with the purpose of obtaining a clean audit.

RISK MANAGEMENT

Section 62 of the MFMA states that the accounting officer should take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control, and to ensure the effective, efficient and economical use of the resources of the municipality.

The Enterprise Risk Management (ERM) Framework aims to ensure that risks that could impede the achievement of objectives are managed better and mitigated earlier, thereby improving the district municipality's ability to carry out its mission and achieve its goals.

The Fraud and Risk Management Committee (FARMCO) is guided by a Terms of Reference (TOR), which is in compliance with the MFMA. The CWDM's FARMCO consists of the Municipal Manager, Executive Directors, the Director: IDP, Performance and Risk Management, the Deputy Director: Performance and Risk Management, current Chairperson of the Audit and Performance Committee, and the Chief Audit Executive (CAE).

During the 2021/2022 financial year, the unit was responsible for risk management awareness, facilitating quarterly reviews and updating risk registers. Although the Deputy Director: Performance and Risk Management is responsible for the coordination of risk management in the organisation, management took ownership of risks and the mitigation thereof.

ANTI-CORRUPTION AND FRAUD

Fraud and Anti-Corruption Strategy

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimise the possibility of fraud and corruption, while section 112(1)(m)(i) of the MFMA identifies 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.

The CWDM has adopted an attitude of zero tolerance towards fraudulent and corrupt activities.



SUPPLY CHAIN MANAGEMENT

Overview of Supply Chain Management (SCM)

Prescribed SCM processes and procedures are in place and maintained, as per sections 110 to 119 of the MFMA and the Supply Chain Management Regulations, 2005. The Supply Chain Management Policy was initially adopted on 23 January 2006 and was revised for an eighth time on 30 June 2022. It is fully compliant with National Treasury's prescripts.

In order to continue to fulfil the needs identified in the CWDM's Integrated Development Plan (IDP) together with an enhanced demand management planning process, an annual procurement plan in respect of the 2022/2023 budget has been compiled in the third quarter of the 2021/2022 financial year. The plan contains key target dates for each planned procurement initiative and was approved by Council during the approval of the final 2022/2023 budget. In addition to this, the municipality introduced an initiative that is a concept of an Operational Business Plan that outlines the procurement activities and spending targets intended during coming financial year.

Enhanced controls have been implemented to ensure that all specifications for goods and services are complete and unbiased in order to promote the five pillars of procurement as set out in the Constitution.

The procurement processes of the municipality are centralised and all requests for procurement are actioned by the Supply Chain Management Unit. This serves as an effective control measure to ensure that processes are properly executed in accordance with the requirements of the different threshold values of procurement. It also combats the deliberate splitting of goods or services into parts or items of a lesser value merely to avoid complying with the threshold requirements. Requests for procurement in excess of R30 000 are advertised on the municipal notice boards, official municipal website and in the applicable media in the instance of competitive bids (in excess of R200 000). The subsequent outcome of these procurement processes is timeously published on the official municipal website

The municipality also maintains a database of current and prospective suppliers and accreditation data are regularly updated.

COMMENT ON BY-LAWS

No new by-laws were promulgated.

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

3.1 INTRODUCTION

3.1.1 Predetermined objectives

As a point of departure, it is the duty of a municipality to establish, develop, and maintain a sound performance management system as prescribed in terms of sections 38 to 40 of the Municipal Systems Act (Act No. 32 of 2000) (MSA). In terms of section 46(1)(a) to (c) of the MSA, a municipality must prepare for each financial year a performance report reflecting (a) the performance of the municipality and of each external service provider during that financial year; (b) a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and (c) measures taken to improve performance. The core components that underscore the performance management system established by the municipality, as prescribed by section 41 of the MSA, are integral to the information reported upon by the municipality. Furthermore, the reflection of the key performance indicators and performance targets in the Integrated Development Plan is prescribed in terms of section 26(i) and is aligned to the predetermined objectives as reflected in the approved 2017/2018 – 2021/2022 IDP.

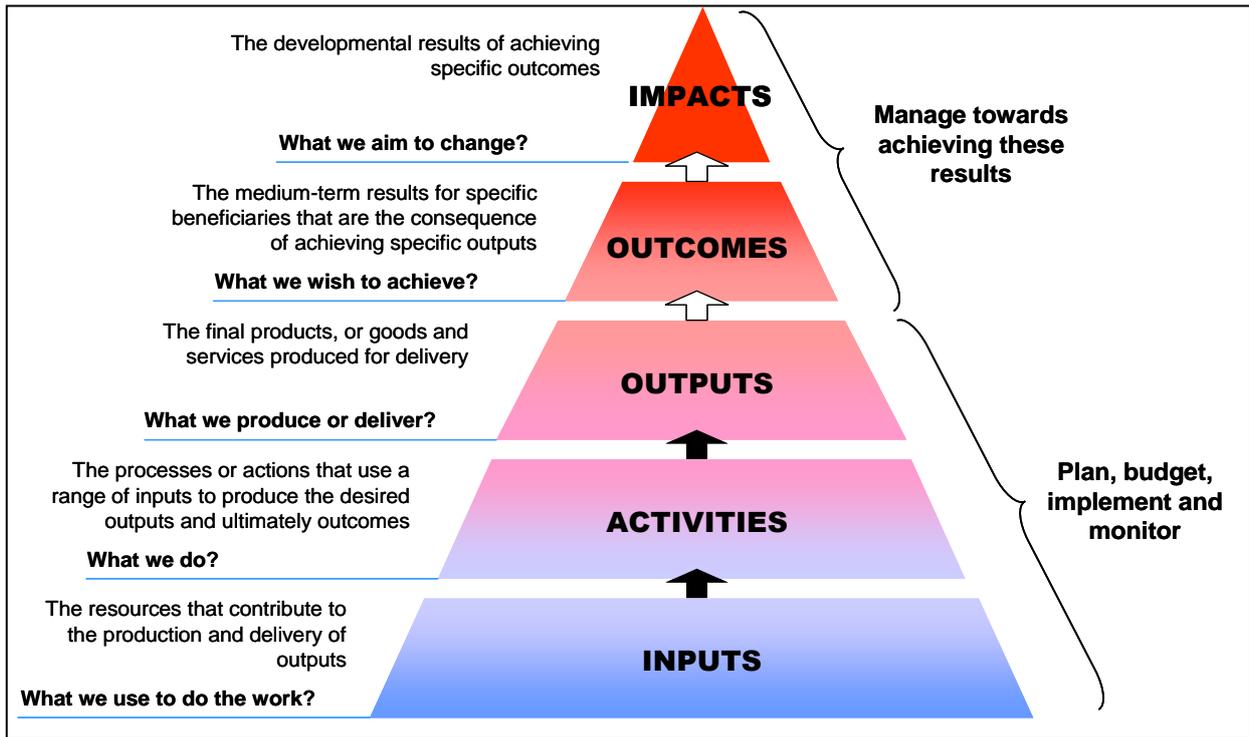
The table below illustrates the alignment between the strategic objectives and the predetermined objectives as per the approved IDP.

| No. | Strategic Objective | No. | Predetermined Objectives |
|-----|--|-----|--|
| 1. | Creating an environment and forging partnerships that ensure social and economic development of all communities, including the empowerment of the poor in the Cape Winelands District. | 1.1 | Provide a comprehensive and equitable MHS including AQM throughout the CWDM. |
| | | 1.2 | Ensure coordination of multidisciplinary and sectoral disaster risk reduction through integrated institutional capacity for Disaster Risk Management, Disaster Risk Assessment and Response and Recovery. |
| | | 1.3 | Effective planning and coordination of specialised firefighting services throughout the CWDM. |
| | | 1.4 | To facilitate environmentally sustainable economic development planning through the development and maintenance of strategic partnerships, investment attraction, retention and opportunities, SMME support and development, skills development and information knowledge. |
| | | 1.5 | To facilitate, ensure, and monitor the development and empowerment of the poor by graduating people out of poverty, social inclusion and improving the livelihood of the poor; vulnerable groups; rural farm dwellers; and rural communities. |
| 2. | Promoting sustainable infrastructure services and a transport system which fosters social and economic opportunities. | 2.1 | To comply with the administrative and financial conditions of the PGWC roads agency function agreement. |
| | | 2.2 | To implement sustainable infrastructure services. |
| | | 2.3 | To increase levels of mobility in the Cape Winelands District. |
| | | 2.4 | To improve infrastructure services for rural dwellers. |
| | | 2.5 | To implement an effective ICT support system. |
| 3. | Providing effective and efficient financial and strategic support services to the CWDM. | 3.1 | To facilitate and enhance sound financial support services. |
| | | 3.2 | To strengthen and promote participative and accountable IGR and governance. |
| | | 3.3 | To facilitate and enhance sound strategic support services. |



3.1.2 Framework for managing performance information: Key concepts

When monitoring and assessing performance outcomes and the related impact, it is necessary to consider potential government interventions and the related consequences that may result therefrom. Such considerations should be timeously identified and monitored in order to mitigate potential risks and where risks exist, for these to be effectively managed through corrective actions. Through effective planning, budgeting and implementation of predefined activities that are appropriately monitored, a municipality is able to successfully achieve the desired results in order to deliver against its designated mandate.



3.1.3 Planning, budgeting and reporting

The performance information reported in the Annual Performance Report and correlating documentation enables Council as well as the public to hold the municipality accountable and to effect necessary transparency.

In addition, performance information should be available to management at each stage of the planning, budgeting and reporting cycle so that they can adopt a results-based approach to managing service delivery. This approach promotes effective planning and manages a focus on desired results, as well as manages inputs and activities to achieve these results.

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3.1.4 Financial performance per strategic objective

The tables detailed below provide an overview of the operating, capital, and project budget amounts at an SO level for 2020/2021 (budget and actual); 2021/2022 (budget and actual) and 2022/2023 (budget).

| Operating Budget | | | | | |
|------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| SO | 2020/2021 Budget | 2020/2021 Actual | 2021/2022 Budget | 2021/2022 Actual | 2022/2023 Budget |
| 1 | R 144 484 749 | R 125 464 859 | R 148 565 662 | R 134 115 550 | R 148 276 149 |
| 2 | R 160 064 082 | R 134 803 721 | R 147 103 662 | R 129 826 213 | R 157 359 048 |
| 3 | R 111 542 512 | R 104 771 647 | R 124 506 016 | R 113 028 987 | R 121 444 383 |
| Total | R 416 091 343 | R 365 040 226 | R 420 175 340 | R 376 970 751 | R 427 079 580 |

| Capital Budget | | | | | |
|----------------|--------------------|--------------------|---------------------|--------------------|----------------------|
| SO | 2020/2021 Budget | 2020/2021 Actual | 2021/2022 Budget | 2021/2022 Actual | 2022/2023 Budget |
| 1 | R 2 106 701 | R 633 206 | R 6 919 827 | R 1 031 287 | R 36 802 000 |
| 2 | R 4 834 622 | R 3 573 060 | R 6 261 555 | R 622 661 | R 78 407 900 |
| 3 | R 1 631 686 | R 1 395 953 | R 2 325 597 | R 1 479 454 | R 8 973 500 |
| Total | R 8 573 009 | R 5 602 218 | R 15 506 979 | R 3 133 402 | R 124 183 400 |

| Project Budget | | | | | |
|----------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| SO | 2020/2021 Budget | 2020/2021 Actual | 2021/2022 Budget | 2021/2022 Actual | 2022/2023 Budget |
| 1 | R 14 111 572 | R 11 751 454 | R 13 931 138 | R 12 631 392 | R 15 996 987 |
| 2 | R 5 000 000 | R 3 745 071 | R 3 335 500 | R 1 298 386 | R 8 620 000 |
| 3 | R 0 | R 0 | R 0 | R 0 | R 0 |
| Total | R 19 111 572 | R 15 496 525 | R 17 266 638 | R 13 929 778 | R 24 616 987 |

3.2 SUMMARY OF CAPE WINELANDS ORGANISATIONAL KEY PERFORMANCE INDICATORS

2020/2021

| SO | Original number of KPIs | Number of KPIs post-adjustment | Zero performance | Under-performance | Achieved and overachieved | Delivery as a percentage 2020/2021 |
|--------------|-------------------------|--------------------------------|------------------|-------------------|---------------------------|------------------------------------|
| 1 | 12 | 11 | 0 | 0 | 11 | 100% |
| 2 | 12 | 10 | 1 | 3 | 6 | 60% |
| 3 | 15 | 15 | 1 | 3 | 11 | 73% |
| Total | 39 | 36 | 2 | 6 | 28 | 78% |

2021/2022

| SO | Original number of KPIs | Number of KPIs post-adjustment | Zero performance | Under-performance | Achieved and overachieved | Delivery as a percentage 2021/2022 |
|--------------|-------------------------|--------------------------------|------------------|-------------------|---------------------------|------------------------------------|
| 1 | 12 | 12 | 0 | 1 | 11 | 92% |
| 2 | 11 | 9 | 2 | 2 | 5 | 56% |
| 3 | 19 | 18 | 0 | 3 | 15 | 83% |
| Total | 42 | 39 | 2 | 6 | 31 | 79% |

3.2.1 Cape Winelands District Organisational Key Performance Indicators

The Organisational KPIs were revised during the Adjustment Budget that took place in February 2022. During this adjustment budget, the following changes were made:

- Certain targets were adjusted to zero due to the Preferential Procurement Policy Framework Act (PPPFA), as reaching the initial target was no longer feasible given the time required to remedy the aforementioned issue.
- Quarterly performance targets were amended to align with adjusted budget figures (where applicable).

3.2.2 Cape Winelands District Detailed Organisational Key Performance Indicators

The table below serves as the legend to indicate whether a KPI has achieved (1) overperformance; (2) target achieved; (3) target almost achieved; (4) underperformance; or (5) zero performance.

| Legend | |
|------------------------|-----------|
| Overperformance | >100% |
| Target achieved | 100% |
| Target almost achieved | 80 to 99% |
| Underperformance | 1 to 79% |
| Zero performance | 0% |

Strategic Objective One: Creating an environment and forging partnerships that ensure social and economic development of all communities, including the empowerment of the poor in the Cape Winelands District

| CWDM PDO | PDO no. | Outcome Indicator | KPI no. | Key Performance Indicator | 2020/2021 Target | 2020/2021 Actual | 2021/2022 Annual Target and Performance | | |
|------------------------------|---------|--|---|---|--|------------------|---|---|---|
| | | | | | | | Annual Target | Annual Actual | Comments |
| 1.1 | 1.1.1 | To administer an effective environmental health management system in order to achieve the set environmental health objectives. | 1.1.1.1 | Monthly Report to WCG on all MHS matters by the 15th of the following month (Sinjani report). | 12 | 12 | - | - | |
| | | | | Monthly Report to PGWC on all MHS matters by the 15th of the following month (Sinjani report). | - | - | 12 | 12 | Target achieved |
| | 1.1.2 | To facilitate effective environmental pollution control through identification, evaluation and/or monitoring to prevent air pollution. | 1.1.2.1 | Submission of the annual Air Quality Officer Report to WCG. | 1 | 1 | - | - | |
| | | | | Submission of the annual Air Quality Officer Report to PGWC. | - | - | 1 | 1 | Target achieved |
| | 1.1.3 | To improve the livelihoods of citizens in the Cape Winelands District. | 1.1.3.1 | Number of water and/or sanitation subsidies granted to citizens in the Cape Winelands District. | 21 | 23 | 20 | 15 | Target underachieved. Despite an adequate number of applications received and approved as per 17(3)(j) list, not all approved subsidies were claimed as landowners did not conclude upgrades and did not submit subsidy claims for payment. Subsidy claims and payments are subject to landowners completing upgrades. Due to financial strains brought about by the Covid-19 pandemic, landowners did not commit to the completion of these water and sanitation upgrades. To rectify the process, more follow up calls will be made and we will attempt to do reallocation earlier to landowners who will be in a position to install additional units. |
| | 1.2 | 1.2.1 | To coordinate an effective disaster management division in order to achieve the disaster management objectives set. | 1.2.1.1 | Number of biannual Disaster Management Advisory Forums held. | 2 | 2 | 2 | 2 |
| 1.3 | 1.3.1 | Effective planning and coordination of specialised firefighting services. | 1.3.1.1 | Pre-fire season and post-fire season reports submitted to Council for consideration for approval. | 2 | 2 | 2 | 2 | Target achieved |
| | 1.3.2 | Build firefighting capacity. | 1.3.2.1 | Number of the officials trained by the CWDM Fire Services Academy. | 20 | 60 | - | - | |
| Build firefighting capacity. | | Number of the officials trained by the CWDM Fire Services Academy. | | - | - | 20 | 22 | Target overachieved. More officials registered than anticipated. | |

| | | | | | | | | | |
|---------|-------|--|--|---|--|-------|-------|----------|---|
| 1.4 | 1.4.1 | To fulfil a coordinating role in terms of town and regional planning within the Cape Winelands District. | 1.4.1.1 | Annual review of CWDM's SDF, submitted to Council for consideration for approval. | 0 | 0 | 1 | 1 | Target achieved |
| | 1.4.2 | Implement environmental management activities to achieve environmental sustainability. | 1.4.2.1 | Number of hectares cleared through the EPWP Invasive Alien Vegetation Management Project. | 1 650 | 1 702 | 2 550 | 2 550.63 | Target overachieved. The bulk of the sites that were prioritised for the financial year was follow-up project sites. Follow-up project sites cost less to clear and are larger in hectares. Follow-up project sites are a consolidation of initial project sites. The initial clearing, which is more expensive and deals with adult vegetation, was done in the previous financial years. |
| | 1.4.3 | To fulfil a coordination role in terms of Economic and Tourism Development within the Cape Winelands District. | 1.4.3.1 | Number of LTA Forums coordinated by the CWDM. | 4 | 5 | 4 | 4 | Target achieved |
| | | | 1.4.3.2 | Number of LED Forum meetings coordinated by the CWDM. | 2 | 4 | - | - | |
| | | | | Number of LED Forums coordinated by the CWDM. | - | - | 4 | 4 | Target achieved |
| | 1.5 | 1.5.1 | To improve the livelihoods of citizens in the Cape Winelands District. | 1.5.1.1 | Number of ECD centres supported by the CWDM. | 30 | 27 | 40 | 40 |
| 1.5.1.2 | | | | Number of youth who complete the skills development project. | 15 | 19 | -- | - | |
| | | | | Number of youths who complete the skills development project. | - | - | 11 | 11 | Target achieved |

| Strategic Objective Two: Promoting sustainable infrastructure services and a transport system which fosters social and economic opportunities | | | | | | | | | |
|---|---------|---|---------|---|------------------|------------------|---|---------------|--|
| CWDM PDO | PDO no. | Outcome Indicator | KPI no. | Key Performance Indicator | 2020/2021 Target | 2020/2021 Actual | 2021/2022 Annual Target and Performance | | |
| | | | | | | | Annual Target | Annual Actual | Comments |
| 2.1 | 2.1.1 | Roll-out and implementation of the maintenance function and activities for proclaimed roads as an agent on behalf of the Western Cape Department of Transport and Public Works. | 2.1.1.1 | Conclude the annual MOA or addendum with PGWC. | 1 | 1 | 1 | 1 | Target achieved |
| | | | 2.1.1.2 | Kilometres of roads re-sealed. | - | - | - | - | |
| | | | 2.1.1.3 | Kilometres of roads bladed. | 4 200 | 5 994.16 | 5 000 | 5 466.70 | Target overachieved. Increased production to satisfy requests from the public. |
| | | | 2.1.1.4 | Kilometres of roads re-gravelled. | 6 | 4 | 12 | 16.28 | Target overachieved. Increased production to complete the Toontjiesrivier Road. |
| 2.2 | 2.2.1 | Coordinate and improve the planning of infrastructure services in the Cape Winelands District. | 2.2.1.1 | Annual review, and alignment with review outcome, of the IWMP and submit to Council for consideration for approval. | 1 | 0 | 1 | 1 | Target achieved |
| 2.3 | 2.3.1 | Improve pedestrian safety throughout the Cape Winelands District. | 2.3.1.1 | Annual review, and alignment with review outcome of the DITP and submit to Council for consideration for approval. | 1 | 1 | 0 | 0 | Target adjusted to 0 during the Adjustment Budget in February 2022. |
| | | | 2.3.1.2 | Number of sidewalks and/or embayments and/or bus shelters completed or upgraded. | 0 | 0 | 0 | 0 | Target adjusted to 0 during the Adjustment Budget in February 2022. |
| 2.4 | 2.4.1 | To improve infrastructure services for citizens in the Cape Winelands District. | 2.4.1.1 | Percentage of project budget spent on rural projects. | 90% | 77.10% | 90% | 29.40% | Target underachieved. The underspending is due to the Constitutional Court ruling on 16 February 2022 concerning the validity of the Preferential Procurement Regulations, 2017 ('Procurement Regulations' as referred to in the judgement) and concomitant uncertainty thereof. The acquisition process continued, and procurement will occur in the next financial year. |

| Strategic Objective Two: Promoting sustainable infrastructure services and a transport system which fosters social and economic opportunities | | | | | | | | | |
|---|---------|--|---------|---|------------------|------------------|---|---------------|---|
| CWDM PDO | PDO no. | Outcome Indicator | KPI no. | Key Performance Indicator | 2020/2021 Target | 2020/2021 Actual | 2021/2022 Annual Target and Performance | | |
| | | | | | | | Annual Target | Annual Actual | Comments |
| | 2.4.2 | To improve the livelihoods of citizens in the Cape Winelands District. | 2.4.2.1 | Number of schools assisted with ablution facilities and/or improved water supply. | 2 | 3 | 2 | 0 | Target underachieved. The underspending is due to the Constitutional Court ruling on 16 February 2022 concerning the validity of the Preferential Procurement Regulations, 2017 ('Procurement Regulations' as referred to in the judgement) and concomitant uncertainty thereof. The acquisition process continued, and procurement will occur in the next financial year. |
| | | | 2.4.2.2 | Number of solar geysers installed. | 120 | 120 | 200 | 152 | Target underachieved. Underperformed due to the fact that landowners did not perform as anticipated. To rectify the process, more follow-up calls will be made and we will attempt to do reallocation earlier to landowners who will be in a position to install additional units. |
| | | | 2.4.2.3 | Number of sports facilities upgraded or completed and/or supplied with equipment. | 7 | 6 | 2 | 0 | Target underachieved. The underspending is due to the Constitutional Court ruling on 16 February 2022, concerning the validity of the Preferential Procurement Regulations, 2017 ('Procurement Regulations' as referred to in the judgement) and concomitant uncertainty thereof. The acquisition process continued, and procurement will occur in the next financial year. |
| 2.5 | 2.5.1 | To improve ICT governance in the Cape Winelands District Municipality. | 2.5.1.1 | Annual review, and alignment with review outcome, of the ICT Governance Framework and/or the ICT Strategic Plan and submit to Council for consideration for approval. | 1 | 1 | - | - | |
| | | To improve ICT governance in the Cape Winelands District. | | Annual review, and alignment with review outcome, of the ICT Governance Framework and/or the ICT Strategic Plan and submit to Council for consideration for approval. | - | - | 1 | 1 | Target achieved |

| Strategic Objective Three: Providing effective and efficient financial and strategic support services to the Cape Winelands District Municipality. | | | | | | | | | |
|--|---------|--|---------|---|------------------|------------------|---|---------------|--|
| CWDM PDO | PDO no. | Outcome Indicator | KPI no. | Key Performance Indicator | 2020/2021 Target | 2020/2021 Actual | 2021/2022 Annual Target and Performance | | |
| | | | | | | | Annual Target | Annual Actual | Comments |
| 3.1 | 3.1.1 | To compile a budget that is available before the start of the financial year. | 3.1.1.1 | Compilation of budget and submitted to Council by 31 May. | 1 | 1 | - | - | |
| | | | | Compilation of a budget and submitted to Council by 31 May. | - | - | 1 | 1 | Target achieved |
| | 3.1.2 | Transparent and accountable reporting to all stakeholders. | 3.1.2.1 | Compilation of a mid-year assessment (Section 72 report), submitted to Council by 31 January. | 1 | 1 | 1 | 1 | Target achieved |
| | 3.1.3 | Fair, equitable, transparent, competitive and cost-effective SCM practices. | 3.1.3.1 | Submit to Council a report on the implementation of SCM (within 30 days after financial year-end). | 1 | 1 | 1 | 1 | Target achieved |
| | 3.1.4 | To promote the financial viability of the CWDM through sound financial management practices. | 3.1.4.1 | Maintaining a sound liquidity ratio as at financial year-end. | 3.8:1 | 16.39:1 | 10.5:1 | 17.7:1 | Target overachieved. The municipality's investments increased due to lower than anticipated expenditure over the financial year and the liabilities relating to post-employment benefits will be updated after the actuarial valuation from the actuaries. |
| | | | | Maintaining a sound solvency ratio as at financial year-end. | 2.8:1 | 4.91:1 | - | - | |
| | | | | Maintaining a sound Impairment of Property, Plant and Equipment and Investment Property and Intangible Assets Ratio | - | - | Equal to and greater than 0% | 0% | Target achieved. The norm for this ratio is 0%. The purpose of the ratio is to indicate the percentage of impairments compared to the carrying value of the assets; a ratio above 0% reflects a risk in service delivery and therefore corrective measures should be implemented. |
| | 3.1.4.3 | Maintain a sound Cash / Cost Coverage Ratio as at financial year-end. | - | - | 1 to 3 months | 26.4 months | Target overachieved. The municipality's investments increased due to lower than anticipated expenditure over the financial year and the liabilities relating to post-employment benefits | | |

| | | | | | | | | | |
|-----|-------|---|---------|--|-----|-----|---------|---------|--|
| | | | | | | | | | will be updated after the actuarial valuation from the actuaries. |
| | | | 3.1.4.4 | Maintain a sound Level of Cash Backed Reserves Ratio as at financial year-end. | - | - | 100% | 955% | Target overachieved. The municipality's investments increased due to lower than anticipated expenditure over the financial year, which also led to an increase in the accumulated surplus. Expenditure and liabilities relating to post-employment benefits will be updated after the actuarial valuation from the actuaries. |
| | | | 3.1.4.5 | Maintain a sound Net Operating Surplus Margin Ratio as at financial year-end. | - | - | 0% | 10% | Target overachieved. The variance is since the actual expenditure is lower than the anticipated expenditure for the financial year. |
| | | | 3.1.4.6 | Maintain a sound Creditors Payment Period Ratio as at financial year-end. | - | - | 30 days | 15 days | Target overachieved. As per section 65(2)(e), all money owing by the municipality must be paid within 30 days of receiving the relevant invoice or statement. |
| 3.2 | 3.2.1 | To coordinate functional statutory and other committees. | 3.2.1.1 | Number of Council meetings that are supported administratively. | 7 | 10 | 7 | 11 | Target overachieved. Various legislative requirements necessitated Council meetings such as the approval of Budget Time Schedule, IDP and to reconstitute newly elected Council. |
| | | | 3.2.1.2 | Number of MAYCO meetings that are supported administratively | 9 | 12 | 9 | 9 | Target achieved |
| 3.3 | 3.3.1 | To capacitate a skilled and competent workforce in order to realise organisational SOs. | 3.3.1.1 | Number of WSP submissions to the LGSETA. | 1 | 1 | 1 | 1 | Target achieved |
| | | | 3.3.1.2 | The percentage of CWDM's training budget actually spent on implementing its WSP. | 75% | 72% | 90% | 70% | Target underachieved. Training was postponed due to operational reasons. A more proactive approach will be taken in respect of finalising SCM matters and a more conservative approach will be taken in terms of target setting, going forward |

| | | | | | | | | |
|-------|---|---------|---|--------|--------|---------------------|---------------------|--|
| 3.3.2 | Facilitate an administrative function in so far as it relates to labour relations. | 3.3.2.1 | Number of Employment Equity Report submissions to the Department of Labour. | 1 | 1 | 1 | 1 | Target achieved |
| 3.3.3 | To manage the capital funds spent in relation to the receipt thereof for improved service delivery. | 3.3.3.1 | The percentage of the municipality's capital budget actually spent by the end of the financial year. | 80% | 64% | - | - | Target underachieved. The underspending is due to the Constitutional Court ruling on 16 February 2022 concerning the validity of the Preferential Procurement Regulations, 2017 ('Procurement Regulations' as referred to in the judgement) and concomitant uncertainty thereof. The acquisition of large capital items was either cancelled due to non-adherence with local content requirements and substituted with planned acquisitions for which appropriations were made in the year's budget; or deferred to the next financial year for which the demand/acquisition process continued. |
| 3.3.4 | To promote a corruption-free CWDM. | 3.3.4.1 | Establishment of an externally managed corruption hotline. | 1 | 0 | 0 | 0 | Target was adjusted during the Adjustment Budget in February 2022. |
| 3.3.5 | To transform the workforce of the CWDM in terms of representation. | 3.3.5.1 | Number of people from employment equity target groups employed in the 3 highest levels of management in compliance with CWDM's approved Employment Equity Plan. | - | - | 90% of appointments | 80% of appointments | Target almost achieved. Four positions became vacant in this financial year. Three were filled with officials from the employment equity target groups. The last position (classified as a scarce skill), that of Deputy Director of Roads Resealing and Maintenance, was filled on 01 July 2021, with a person from outside the employment equity target groups. The CWDM will strive to the best of its ability to make appointments in line with the approved EE Plan, if circumstances allow for it. However, cognisance must be taken that registered ECSA Engineers are a very scarce and critical occupation and the attraction of candidates from designated groups is not always possible. The Revised Succession |
| | To improve the livelihoods of citizens in the CWDM area. | | Number of work opportunities created (in person days) through CWDM's various initiatives. | 10 000 | 14 968 | - | - | |

| | | | | | | | | | |
|-------|---|---------|--|---------------------|---------------------|-------|--------|---|---|
| | | | | | | | | | Planning and Career Pathing Policy and Revised Mentoring and Coaching Policy will assist to put procedures and programmes in place to address these challenges. |
| 3.3.6 | To transform the workforce of the CWDM in terms of representation. | 3.3.6.1 | Number of people from employment equity target groups employed in the 3 highest levels of management in compliance with CWDM's approved Employment Equity Plan. | 90% of appointments | 75% of appointments | - | - | | |
| | | | Number of work opportunities created (in person days) through CWDM's various initiatives. | - | - | 7 500 | 12 348 | Target overachieved. Contractors made use of more laborers to complete projects. | |
| 3.3.7 | To improve intergovernmental relations within the district as with other districts. | 3.3.7.1 | Improve intergovernmental relations within the district as well as with other districts by initiating and participating in the DCF Tech, DCF, JDA, Cabinet and Joint District meetings | 14 | 24 | - | - | | |
| | | | Improve intergovernmental relations within the district as well as with other districts by initiating and participating in the DCF and JDMA meetings. | - | - | 6 | 10 | Target overachieved. More meetings were held than anticipated. | |
| 3.3 | | | | | | | | | |

3.3 NATIONAL KEY PERFORMANCE AREAS 2021/2022

National Government has identified five key performance areas (KPA's) for local government:

- Service delivery and infrastructure development;
- Local economic development;
- Municipal financial viability and management;
- Municipal transformation and organisational development; and
- Good governance and public participation.

3.3.1 The CWDM contributed to the national key performance areas as follows:

| KPA 1: Service Delivery and Infrastructure Development | | | |
|--|-----------|---------------|---------------|
| Roads | Unit | 2020/2021 | 2021/2022 |
| Kilometres of road responsible for (provincial deproclamation and maintenance contracts) | Kilometre | 3 601 | 3 601 |
| Kilometres of roads maintained and rehabilitated (provincial deproclamation and maintenance contracts) | Kilometre | 3 601 | 3 601 |
| Total amount of operating budget allocated to road maintenance | Rand | R 119 384 282 | R109 352 941 |
| Total amount of operating budget spent on road maintenance | Rand | R 102 801 241 | R101 827 459 |
| KPA 2: Local Economic Development | | | |
| Economic growth | Unit | 2020/2021 | 2021/2022 |
| Total rand value of procurement transactions | Rand | R 92 379 513 | R 88 891 618 |
| Total rand value of contracts awarded to SMMEs | Rand | R 90 101 784 | R 85 939 240 |
| Total rand value of contracts awarded to BEE suppliers | Rand | R 50 507 779 | R 52 832 590 |
| Total rand value of contracts awarded to women | Rand | R 23 238 310 | R 20 640 438 |
| Total rand value of contracts awarded to youth | Rand | R 7 199 141 | R 4 943 517 |
| KPA 3: Municipal Financial Viability and Management | | | |
| Financial viability | Unit | 2020/2021 | 2021/2022 |
| Total operating transfers (grant and subsidy income) | Rand | R 245 614 284 | R 254 213 310 |
| Total operating expenditure | Rand | R 354 096 440 | R 366 251 144 |
| Capital budget spend in year | Rand | R 5 602 218 | R 3 133 402 |
| Council-approved capital budget in year | Rand | R 8 573 009 | R 15 506 979 |
| Total outstanding customer debt as at 30 June | Rand | R 60 986 | R 0 |
| Current assets as at 30 June | Rand | R 794 555 112 | R 844 420 699 |
| Current liabilities as at 30 June | Rand | R 48 386 128 | R 47 799 455 |
| Total revenue | Rand | R 390 528 404 | R 401 867 501 |

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| | | | |
|--|-------------|------------------|------------------|
| Revenue from grants | Rand | R 245 597 044 | R 253 274 643 |
| Debt service payments (finance charges) | Rand | R 0 | R 0 |
| Salaries budget (including benefits) | Rand | R 230 900 525 | R 230 972 967 |
| Total operating budget | Rand | R 416 091 343 | R 420 175 340 |
| Municipal systems improvement grant (MSIG) | Rand | | |
| Amount of this allocation utilised | Rand | R 0 | R 0 |
| Municipal infrastructure grant allocation | Rand | R 0 | R 0 |
| Amount of this allocation utilised | Rand | R 0 | R 0 |
| KPA 4: Municipal Transformation and Organisational Development | | | |
| Organisational design and capacity | Unit | 2020/2021 | 2021/2022 |
| Number of posts on the organogram as at 30 June | Number | 493 | 491 |
| Number of posts on the organogram that were filled as at 30 June | Number | 414 | 402 |
| Total number of staff employed at the municipality as at 30 June | Number | 459 | 436 |
| Total number of Section 57 staff employed at the municipality as at 30 June | Number | 4 | 4 |
| Section 57 posts vacant for more than 3 months in the financial year ending 30 June | Number | 0 | 0 |
| Percentage of municipality's budget spent on implementing its workplace skills plan | Percentage | 0.13% | 0.18% |
| Employment equity | Unit | 2020/2021 | 2021/2022 |
| Number of Section 57 staff who were classified as Black (African, Indian and coloured) as at 30 June | Number | 3 | 3 |
| Number of Section 57 staff who were women as at 30 June | Number | 1 | 1 |
| Number of staff (out of total number of staff) at the municipality who were women as at 30 June | Number | 169 | 162 |
| Number of staff (out of total number of staff) at the municipality who were classified as disabled as at 30 June | Number | 9 | 9 |
| KPA 5: Good Governance and Public Participation | | | |
| Council meetings | Unit | 2020/2021 | 2021/2022 |
| How many Council meetings were held in the financial year? | Number | 10 | 10 |
| How many open Council meetings were held in the financial year? | Number | 10 | 10 |
| Corporate governance | Unit | 2020/2021 | 2021/2022 |
| Number of Section 57 staff dismissed | Number | 0 | 0 |
| Number of Section 57 staff suspended | Number | 0 | 0 |
| Number of Section 57 staff resigned | Number | 0 | 0 |

3.4 PERFORMANCE IMPROVEMENT MEASURES

The following actions were taken throughout the 2021/2022 financial year to improve the culture of performance management in the organisation:

- Strategic sessions were held with the Mayor and the Municipal Manager;
- Strategic sessions were held between the Municipal Manager and the Senior Management Team;
- All Executive Directors were tasked by the Municipal Manager to prepare up-to-date evidence files that were uploaded on the Collaborator electronic record management system;
- Performance contracts were concluded with identified officials;
- The Internal Audit Unit performed testing of organisational key performance indicators and/or projects – to verify the quality of data and evidence of performance for quarters 2, 3 and 4;
- Internal Audit reports were submitted to management, as well as other senior management involved, for response and action to address any identified shortcomings;
- These Internal Audit reports also served before the Audit and Performance Committee for oversight, where after the Audit Committee's quarterly reports served before Council; and
- An electronic compliance register also assisted to monitor the compliance with various pieces of legislation relating to performance management.

3.4.1 PMS Audit Focus for 2021/2022

Based on the work performed during the 2020/2021 financial year, the focus for the 2021/2022 financial year was as follows:

- Quarter 1: The review was not performed due to capacity constraints in the Internal Audit Unit.
- Quarter 2: Review of the municipality's compliance with the Municipal Systems Act in respect of organisational performance management.
Review the usefulness of key performance indicators and the reliability of reported performance information.
- Quarter 3: Review the usefulness of key performance indicators and the reliability of reported performance information.
Review of the municipality's compliance with the Municipal Systems Act in respect of organisational performance management.
Review the supporting documentation to verify that it supports the actual information.
Review whether output is evidence in terms of completeness, accuracy, and validity for related key performance indicators.
Ensure that the actual information falls within the correct reporting period.



- Quarter 4: The review was performed in Quarter 1 of the 2022/2023 financial year.

3.5 SUPPLIER PERFORMANCE

Looking at the applicable legislation, specifically s46(1)(a) of the MSA – A municipality must prepare for each financial year an annual report consisting of –

(a) a performance report reflecting— (i) the municipality's, and any service provider's, performance during that financial year, also in comparison with targets of and with performance in the previous financial year.

In consideration of this legislative requirement, we consider the definition prescribed to a service provider, as well as a municipal service and a service delivery agreement in terms of the MSA.

A 'service provider' in terms of section 76(b) of the MSA constitutes a person or institution, or combination thereof, that provides provide to or for the benefit of a local community, whereas an 'external service provider' is considered to be an external mechanism (as referred to in section 76(b)) that provides a municipal service for a municipality.

It is necessary to further consider the meaning prescribed to a 'service delivery agreement', as in terms of section 76(b) this is considered to be 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 the institution or person, either for its own account or on behalf of the municipality. Finally, the MSA defines a 'municipal service' as necessary to ensure an acceptable and reasonable quality of life and, if not provided, would endanger public health or safety of the environment.

In consideration of the year under review, as well as the legislative interpretations detailed above, the municipality asserts that no service delivery agreements were entered into with service providers who provided a municipal service to or for the benefit of the local community on behalf of the municipality. However, in the table below we provide an overview of the number of SCM awards made throughout the year.

| Relevant Department/Division | Number of contracts | |
|--|---------------------|------------|
| | 2020/2021 | 2021/2022 |
| Community Development Services | 67 | 60 |
| Financial and Strategic Support Services | 97 | 87 |
| Technical Services | 176 | 143 |
| Office of the Municipal Manager | 12 | 10 |
| Grand total | 352 | 300 |

Finally, it is necessary to establish that quality assessment mechanisms are in place during the SCM supply process, as this is underscored by contract management practices. It is during this process that the municipality establishes or confirms that all contractual obligations have been met. Furthermore, regular monitoring of vendor performance is facilitated in terms of section 51(3) of the Supply Chain Management Policy.

3.5.1 Quality of performance

The evaluation is objective and the supplier's actual performance over the life of the contract is measured against the identified KPIs linked to the contract.

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The contract manager is responsible for the evaluation and in the event that the supplier is rated lower than 3 out of a possible 5 (60%) on one or all of the KPIs, he/she must be consulted and when agreed on the final rating, sign the evaluation document as proof of consultation. At this point any corrective measures are attended to.



3.6 AUDITOR-GENERAL OUTCOMES FOR 2021/2022

During the last eight years (2013/2014; 2014/2015; 2015/2016; 2016/2017; 2017/2018; 2018/2019; 2019/2020 and 2020/2021), the municipality received clean audits. For the 2021/2022 year, the table detailed below serves as a summary of the areas assessed as improved or unchanged:

AUDIT OUTCOMES

| NR | FINANCIAL YEAR | AUDIT OUTCOME |
|----|-----------------------------|------------------------------|
| 1 | 01 June 2021 – 30 June 2022 | Unqualified with no findings |
| 2 | 01 June 2020 – 30 June 2021 | Unqualified with no findings |
| 3 | 01 June 2019 – 30 June 2020 | Unqualified with no findings |
| 4 | 01 June 2018 – 30 June 2019 | Unqualified with no findings |
| 5 | 01 June 2017 – 30 June 2018 | Unqualified with no findings |
| 6 | 01 June 2016 – 30 June 2017 | Unqualified with no findings |
| 7 | 01 June 2015 – 30 June 2016 | Unqualified with no findings |
| 8 | 01 June 2014 – 30 June 2015 | Unqualified with no findings |
| 9 | 01 June 2013 – 30 June 2014 | Unqualified with no findings |

RISK AREAS

| NR | RISK AREA | 2021/2022 ASSESSMENT | MOVEMENT FROM PREVIOUS YEAR |
|----|--|----------------------|-----------------------------|
| 1 | Quality of submitted financial statements | Of concern | Unchanged |
| 2 | Quality of submitted performance information | Good | Unchanged |
| 3 | Supply Chain Management | Of concern | Regressed |
| 4 | Financial Health | Good | Unchanged |
| 5 | Human Resource Management | Good | Unchanged |
| 6 | Information Technology | Good | Unchanged |

ASSURANCE LEVELS

| LEVEL OF ASSURANCE | SUB-LEVEL | 2021/2022 ASSESSMENT | MOVEMENT FROM PREVIOUS YEAR |
|---------------------------|-------------------|-------------------------|-----------------------------|
| First level of assurance | Senior Management | Provides assurance | Unchanged |
| | Municipal Manager | Provides assurance | Unchanged |
| | Executive Mayor | Provides assurance | Unchanged |
| Second level of assurance | Audit Committee | Provides some assurance | Unchanged |
| | Internal Audit | Provides assurance | Unchanged |
| Third level of Assurance | Municipal Council | Provides assurance | Unchanged |
| | MPAC | Provides assurance | Unchanged |

STATUS OF DRIVERS OF INTERNAL CONTROL

| NR | MAIN AREA | SUB-AREA | 2021/2022 ASSESSMENT | MOVEMENT FROM PREVIOUS YEAR |
|----|------------------------------------|------------------------------------|----------------------|-----------------------------|
| 1 | Leadership | Effective leadership culture | Good | Unchanged |
| 2 | | Oversight responsibility | Good | Unchanged |
| 3 | | HR Management | Good | Unchanged |
| 4 | | Policies and procedures | Good | Unchanged |
| 5 | | Audit action plans | Good | Unchanged |
| 6 | | IT Governance | Good | Unchanged |
| 6 | Financial & Performance Management | Proper record keeping | Good | Unchanged |
| 7 | | Processing and reconciling control | Good | Unchanged |
| 8 | | Regular reporting | Of concern | Regressed |
| 9 | | Compliance monitoring | Good | Unchanged |
| 10 | | IT system controls | Good | Unchanged |
| 11 | Governance | Risk Management | Good | Unchanged |
| 12 | | Internal Audit | Good | Unchanged |
| 13 | | Audit Committee | Good | Unchanged |

COMPONENT A: BASIC SERVICES

This component includes the following services:

- The provision of potable water
- Wastewater (sanitation)
- The supply of electricity
- Waste management

A. INTRODUCTION TO BASIC SERVICES

The CWDM does not provide any basic services to consumers as it is the function of the local municipalities in the district but does assist with the provision of services and certain infrastructure in the rural areas.

a) THE PROVISION OF WATER AND SANITATION SERVICES

INTRODUCTION TO WATER PROVISION

Rural schools battle with the upkeep of water and sanitation infrastructure due to the increase in learners as well as the cost of proper maintenance. Council assists some of these schools with the provision of potable water as well as sanitation services. Farm workers are also assisted by Council with the provision of water and sanitation services inside their homes. This is accomplished by granting landowners subsidies to install these services.



COMMENT ON WATER SERVICES PERFORMANCE OVERALL

During 2021/2022, no tenders were awarded due to difficulties experienced with procurement of services.

b) WASTEWATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

As indicated above, the municipality grants subsidies that assist landowners to provide sanitation within the farm labourer cottages. Rural schools expand due to additional classes and grades and the existing facilities sometimes cannot cope with the number of learners. In these cases, the municipality assists with the construction of additional infrastructure to provide effective and clean sanitation services at these schools.

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL

During 2021/2022, no tenders were awarded due to difficulties experienced with procurement of services.



c) ELECTRICITY

INTRODUCTION TO ELECTRICITY



The CWDM does not provide electrical services but assists landowners in the rural areas to improve the lives of the farm workers by providing a subsidy for solar warm water systems as part of Council's contribution towards renewable energy.

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL

The target of 200 units for the 2021/2022 financial year was not met and only 152 units were installed during the year. The reasons why landowners did not install the subsidised units are unclear, but it could be the difficult economic circumstances the farming fraternity is currently faced with. In the future we will attempt to do reallocation earlier to landowners who will be in a position to install additional units.

d) WASTE MANAGEMENT

INTRODUCTION TO WASTE MANAGEMENT

The CWDM does not render any refuse collection service but is in the process of establishing a regional waste disposal site near the town of Worcester.

COMMENT ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL

The environmental authorisation process was completed and a waste management licence was issued by the Department of Environmental Affairs for a regional landfill site. The Section 78 investigation to assess the best possible way in which to render the service was completed and the compilation of tender documents for the construction and operation of the regional landfill site will follow in the 2022/2023 financial year. The rezoning and subdivision of the subject erf is also in process and will be submitted to the Surveyor General's office for approval as soon as the necessary approvals have been received from Breede Valley Municipality. The transfer of the subject erf from Breede Valley Municipality to Cape Winelands DM will then be effected.

COMPONENT B: ROADS SERVICES



B. INTRODUCTION TO ROAD TRANSPORT

Ownership of public roads in the CWDM's area vests with the national or provincial government or with the local municipalities. The five district municipalities within the Western Cape perform a roads agency service for the Western Cape Government: Department of Transport and Public Works (WCG: DT&PW). The main function of the CWDM Roads Division is to perform various maintenance activities on the allocated provincial roads under the technical guidance of the Provincial District Roads Engineer's office.

a) ROADS SERVICES

CWDM Roads activities is 100% funded and funding transfers are governed by a Memorandum of Agreement (MOA) with WCG: DT&PW. It is expected that CWDM Roads perform this function with its own road staff. All plant and equipment (commonly known as the yellow fleet) are provided by the WCG: DT&PW.

Extent of the provincial road network in CWDM's jurisdiction:

- Provincial roads allocated to CWDM to maintain: 2 901 gravel roads and 700 km surfaced
- Provincial roads maintained by the Provincial District Roads Engineer's office: 566,7 km surfaced under contracts and 99,8 km by their own staff



The Agency Agreement with the WCG: DT&PW stipulates what is expected of the CWDM. The emphasis of CWDM Roads is on road maintenance activities to assist the WCG with their important task of preserving their existing upgraded 6 485 km of surfaced provincial road network asset in the Province. The biggest challenge is the shortfall in allocated funding versus funding required to attend to all the identified technical maintenance, resealing, re-gravelling, rehabilitation and reconstruction needs as reflected on the annually updated road and bridge infrastructure management systems.

Provincial gravel roads: Most of the complaints received from the rural communities pertain to the poor condition of the provincial gravel road network. The majority of the 2 901 km provincial gravel road network in the CWDM area needs re-gravelling/reworking/reshaping. Wet weather has a negative impact on the riding quality of these roads, as they urgently require reshaping (to improve drainage) and re-gravelling (to improve riding quality) that cannot be achieved with the current resources and huge backlogs.

Taking the above into account, the reality is that funding allocated by the national government to the provincial government is insufficient to address all the requests from communities to upgrade or to attend to the technical re-gravelling needs of the approximately 25 245 km provincial gravel roads in the province – the need thus outweighs the resource and it is therefore imperative that the available resources be utilised optimally.

The main performance targets set by the WCG: DT&PW can be summarised as follows:

- To assist in reinstating scarce road construction skills by performing (on a limited scale) road construction work with own staff.
- All funding allocated for road maintenance and limited construction activities must be spent within the financial year and linked to performance indicators.
- Costs relating to the different maintenance and limited construction activities must be economically sound.

The measurement of the main performance targets by the WCG: DT&PW is done by:

- the use of a computerised management system (IMMS) where all CWDM's roads staff are registered against total cost per road maintenance activity per road;
- road projects re-gravel, reseal and upgrade per km per allocated budget per project; and
- regular quarterly meetings between senior technical officials from the five district municipalities and WCG: DT&PW to evaluate total spending and compare each district municipality's cost per road maintenance activity per road.

The performance of the CWDM in this financial year for the budgeted items was as follows:

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| Budget Item | Original Budget | Adjustment Budget | Actual Spending |
|----------------------------------|------------------------|--------------------------|------------------------|
| Roads:Main & Divisional Indirect | 92,037,460.00 | 78,398,954.00 | 71,786,240.89 |
| ROADS: WORKSHOP | 10,898,612.00 | 9,268,120.00 | 8,873,224.14 |
| MANAGEMENT: ROADS | 8,958,889.00 | 9,198,412.00 | 8,885,123.01 |
| ROADS: PLANT | 9,755,687.00 | 12,474,084.00 | 12,269,730.43 |
| Total | 121,650,648.00 | 109,339,570.00 | 101,814,318.47 |



b) PUBLIC TRANSPORT

The mandate for transport at district municipal level is derived as follows: The Constitution of the Republic of South Africa stipulates in respect of local government matters listed under Part B of Schedule 4 that 'Municipal Public Transport' is to be the responsibility of a municipality. Furthermore, in section 84 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998), the division of functions and powers between district and local municipalities, section 84(1)(g), lists the function 'regulation of passenger transport services' as a district municipal competency.

In fulfilling its statutory mandate, the CWDM established a unit on its organisational organogram, namely Public Transport Planning and Regulation. The approach adopted by the subdirectorates was the development of a District Integrated Transport Plan as well as Local Integrated Transport Plans for the B-municipalities in its district. The District Integrated Transport Plan provides guidance for an implementation strategy to achieve the various service delivery goals in public transport.

The table below indicates the critical areas identified to achieve the service delivery goals, with their respective projects.

| Outcome | Projects | Targets | Achievement 2021/2022 |
|---|---|---|---|
| Improved mobility of citizens in the district | Review of the CWDM District Integrated Transport Plan | Improve public transport level of service rendered by the unregulated and privately funded minibus taxi industry | Progress made on the review of the Cape Winelands District Integrated Transport Plan was tabled at Council meeting on 30 June 2022. The full review of the Cape Winelands District Integrated Transport Plan will be completed by 30 September 2022. |
| Improved road safety | Planning for improved road safety infrastructure at urban schools in Breede Valley LM | Reduce the number of learner traffic-related incidents. Reduce the speed of vehicles passing urban schools through traffic calming infrastructure. Improved road signage. | No implementation took place during this financial year. |
| | Transport Month event | Host a Transport Month event during October 2021 in Langeberg Local Municipality. | Transport month events successfully hosted in the following towns within Langeberg Local Municipality: <ul style="list-style-type: none"> • Robertson - 30 April 2022 • Montagu - 7 May 2022 |



i. Transport Month event

The theme for the Cape Winelands Transport Month event was taken from the National Road Safety Strategy 2016-2030 Pillar 4, Safer Road Users, and shall be known as **‘ROAD SAFETY – 365 DAYS A YEAR’**.

ii. Aim of Transport Month

To raise awareness on road safety, focusing on pedestrians’, learners’ and commuters’ safety, public transport operators and the business sector in increasing the usage levels and quality of service rendered by public transport operators and increasing the awareness of the commuter on personal road safety.

The event was attended and given full support by the Portfolio Holder for Technical Services, Councillor GJ Carinus.



Transport Month group photo - Robertson



Handover of safety promotion items to pedestrian



Commuter interview regarding her safety



Councillor Carinus engaging with taxi commuters



Councillor Carinus with taxi operators



Councillor Carinus engaging with elderly commuter

CWDM encourages personal safety on public transport

One of the concerns we have, is the safety of commuters on our public transport networks. The CWDM hosted events in the towns of Robertson & Montagu to help raise awareness of personal safety among commuters.

"To improve the safety of commuters using the minibus taxi network, our program is designed to guide their actions and decisions before and while using public transport." explains Cllr Gideon Carinus, Portfolio Holder for Technical Services at CWDM.



Stationed at the hubs of public transport in the towns, commuters were encouraged to remember the following:

- Avoiding areas where you cannot be seen, or the lighting is poor.
- Avoiding overcrowded taxis.
- By being alert for reckless driving (e.g., speeding, apparent drowsiness, disregard for signage and signals).
- If the driver is irresponsible, to get out at first safe opportunity.
- If you feel you are at risk, to speak up or get out of the taxi at the first opportunity!
- Avoiding riding with drivers who seem to be under influence of alcohol or medication, or appear over-tired, irrational or distracted.
- Avoiding night travel, especially in rural areas.
- Wait for a taxi at a safe place for the taxi to stop, and where the taxi will not obstruct the flow of traffic
- Not ask the driver to drop you off in or near an intersection – look for a place where it is safe to stop
- Always familiarising yourself with the contact details for the appropriate bodies to lodge complaints or suggestions
- Where possible to not travel alone and inform your family or friends of your destination and when to expect you to arrive there.



June 2022 Imbizo article for Transport Month events held.



COMMENT ON THE OVERALL PERFORMANCE OF TRANSPORT

The National Public Transport Strategy excludes the CWDM from accessing the major sources of funding for public transport, namely the Public Transport Infrastructure Grant (PTIG) and Public Transport Network Operations Grant (PTNOG).

By excluding district municipalities from accessing the Municipal Infrastructure Grant (MIG), the funding for public transport at the CWDM is reliant on Council's equitable share and irregular grants from the WCG: DT&PW. The impact and performance on the mandatory transport function are thus determined by funding, which can be made available via Council budget.

However, despite funding challenges, planning for improved citizen mobility and implementation of various public transport-related projects continued, such as the Transport Month event that was hosted in Langeberg Local Municipality as evidenced by commuters during the distribution of hand sanitisers., road safety pamphlets and masks.

COMPONENT C: COMMUNITY DEVELOPMENT AND PLANNING SERVICES

C. Departmental Introduction

The Community Development and Planning Services Department comprises the following divisions:

- Spatial Planning and Environmental Management Services;
- Socio-Economic Development;
- Municipal Health Services;
- Disaster Management Services; and
- Firefighting Service.

a) Spatial Planning and Environmental Management Services

This division has a limited function pertaining to town and regional planning and is thus limited to spatial planning and planning coordination. Land use management is a function of the five local municipalities within the Cape Winelands district although the CWDM's involvement in land use planning is through participation in local municipal planning tribunals established in terms of the Spatial Planning and Land Use Management Act (Act No. 16 of 2013) (SPLUMA). The division's environmental management function focuses mainly on natural resource management, biodiversity and water through the implementation of an invasive alien vegetation management and river rehabilitation programme.

The CWDM's involvement in terms of planning in general is as follows:

- Compiling, reviewing and amending a Spatial Development Framework for the Cape Winelands district municipal area.
- Member of the Western Cape Municipal Heads Planning Forum.
- Active participation in provincial and local municipal spatial development framework processes.
- Participation in environmental planning policy processes that are facilitated/implemented by other spheres of government.
- Participation in the new law reform process pertaining to the Western Cape Land Use Planning Act (Act No. 3 of 2014) and SPLUMA.
- Member of the Cape Winelands Biosphere Reserve Technical Committee and fulfilling a secretariat role to the board of directors of the biosphere reserve non-profit company.
- Participation in environmental conservation landscape initiatives throughout the district.
- The CWDM Deputy Director: Spatial Planning and Environmental Management is a member of the Witzenberg and Langeberg Municipal Planning Tribunals established in terms of SPLUMA.
- Planning Lead of the (a) Urbanisation Challenges and (b) Resource Resilience projects, which are subprojects of the Joint District and Metro Approach Project.

b) Socio-Economic Development

In 2018/2019, the divisions Local Economic Development and Tourism amalgamated with the division Rural and Social Development to form a new division called Socio-Economic Development. One of the first tasks of the new division was to take the draft Cape Winelands Regional Socio-Economic Development Strategy (CW-RSEDS) through its final internal and external round of gathering comments and submit it to Council for adoption. The CW-RSEDS was adopted by Council on 27 May 2019.



The core focus of the CW-RSEDS is to outline how the CWDM will invest in its people and how it will create an enabling environment in which business can develop, grow and thrive by fostering greater investment that will increase job growth and alleviate poverty in the district. The CW-RSEDS is intended to provide an achievable, evidence-based plan for the future, while responding to the challenges and opportunities presented by the local economic and social context. The following five strategies combined form the CW-RSEDS:

- Local Economic Development Strategy;
- Investment Attraction, Retention and Opportunities Strategy;
- Tourism Development and Marketing Strategy;
- Rural Economic Development Strategy; and
- Social Development Strategy.

The CW-RSEDS together with the District Economic Recovery Plans guides the facilitation of economic growth and development in the Cape Winelands District.

c) Disaster Management Services

The Cape Winelands Disaster Management Centre (CWDMC) consists of a Disaster Management Centre and four permanent staff members assisted by an intern. The purpose of the CWDMC is to ensure the coordination of multidisciplinary and multisectoral risk reduction through integrated institutional capacity for disaster risk management, disaster risk assessment, response and recovery. The CWDMC is fully functional and compliant with the Disaster Management Act, 2002 (Act No. 57 of 2002) as amended by the Disaster Management Amendment Act, 2015 (Act No. 16 of 2015).

The functions of Disaster Management include:

- Risk Assessment: A process to determine the nature and extent of risk by analysing potential hazards and evaluating existing conditions of vulnerability that could pose a potential threat or harm to people, property, livelihoods and the environment on which they depend.
- Planning: This includes the development of Disaster Management Plans, Standard Operating Procedures, Seasonal Preparedness Plans, and Contingency Plans.
- Risk Reduction, which includes:
 - prevention – how to avoid the adverse impacts of a hazard, which includes awareness and education programmes.
 - mitigation – this can include structural or non-structural measures undertaken to limit the adverse impacts of a hazard, including policies or physical structures.
 - preparedness – activities and measures taken in advance to ensure effective response to the impacts of hazards, such as issuing early warnings and evacuating people.
- Response: The provision of assistance during or immediately after a disaster. This can be short-term such as the provision of relief items, e.g. food parcels, blankets, or of a protracted duration such as setting up temporary shelters.
- Recovery: Decisions and actions taken after a disaster with a view to restoring the situation to normality or improving the pre-disaster conditions.

In terms of section 51 of the Disaster Management Act, 2002 (Act No. 57 of 2002), the CWDMC established a Disaster Management Advisory Forum that consists of representatives from the five local municipalities, provincial and national departments and other disaster management role-players. This forum meets on a bi-annual basis. The forum meetings provide the CWDMC with an



opportunity to engage role-players on the disaster management-related activities taking place in the district. This is an important platform in order to provide members with vital information such as seasonal forecasts and reports on significant incidents or disasters that have occurred in the district. The meetings for 2021/2022 took place in the second and fourth quarters of the financial year.

d) Firefighting Service

In terms of section 84(1)(j) of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998), the functions of the Firefighting Services are:

- Firefighting services serving the area of the district municipality as a whole, which include the planning, coordination and regulation of fire services.
- Specialised firefighting services such as mountain, veld and chemical fire services.
- Coordination of the standardisation of infrastructure, vehicles, equipment and procedures.
- Training of fire officers.

e) Municipal Health Services

In terms of section 156(1)(a), Part B of Schedule 4 of the Constitution of the Republic of South Africa, 1996, municipal health services had been entrusted to local authorities. According to section 84(1)(i) of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998), municipal health services were consequently declared the responsibility of a district municipality (Category C) and/or metropolitan area (Category A). Section 32(1) of the National Health Act, 2003 (Act No. 61 of 2003) tasks every metropolitan and district municipality to ensure the provision/rendering of municipal health services. In terms of section 1 of the National Health Act, 2003 (Act No. 61 of 2003), Municipal Health Services were declared to be:

- water quality monitoring;
- food control;
- solid waste management;
- health surveillance of premises;
- surveillance and prevention of contagious diseases, excluding immunisation;
- vector control;
- environmental pollution control;
- disposal of the dead; and
- safe handling of chemical substances, but excludes port health, malaria control and control of hazardous substances.

Air quality management resorts under Municipal Health Services (MHS) in the municipality. The CWDM's 2nd Generation Air Quality Management Plan (AQMP) review was completed in 2018, approved by Council and included as a sector plan in the IDP. The CWDM continues to strive towards the implementation of the objectives within the 2nd Generation AQMP. The identified goals and targets within the plan were presented and discussed at a Council Policy Workshop on 25 October 2018 to ensure a good understanding of the action plan, with allocated timeframes for implementation and the implementation indicators.

#CWDMonTheMove







COMMUNITY DEVELOPMENT AND PLANNING SERVICES IN NUMBERS

Our REACH in communities

- **600** people reached through the 16 Days of Activism campaign
- **31** community organisations were supported
- **40** ECD organisations were supported
- **11** interns in the Stellenbosch area were afforded an opportunity to be part of the driver's licence training programme
- **450** elderly persons were part and parcel of more living active age programme
- **12 121** packets of sanitaryware provided to school learners across the district
- **1053** packets of adult diapers provided to the elderly and people with disabilities across the district
- **700** people reached through international day for people with disabilities
- **10 136** people reached through embarking on various sporting codes across the district
- **5 food parcels** distributed to families affected by incidents
- **217 blankets** distributed to families affected by incidents
- **4 housing kits** were provided to families affected by fire
- **100 packs** of sanitary towels provided
- **270 warm meals** were provided to people displaced by incidents
- **12 community events** were supported



Helping to TRAIN and SKILL our communities

BUSINESS TRAINING AND MENTORSHIP

27 SMME and 10 small farmers/ groupings had access to be trained in various financial and business management practices such:

- human resource management and training;
- growth finance training;
- financial management training;
- marketing training;
- business planning and entrepreneurship training;
- tender process training;
- statutory compliance training; and
- corporate social investment training.

TOURISM TRAINING

- 12 Culinary Training
- 12 Site guide Training
- 45 Customer Care Training
- 30 Events Management Training
- 17 First Aid Training
- 14 Exhibition Training
- 14 Introduction to Wine Training

DISASTER MANAGEMENT TRAINING

- 15 people were trained in GIS

CAPE WINELANDS FIRE AND RESCUE ACADEMY TRAINING

The Academy has **trained 22 officials** (Cape Winelands District Municipality, Stellenbosch and Overstrand Municipalities, and the South African Navy) in **Firefighter 1**.



Our reach in communities in SUPPORT of Tourism

Local Tourism Association Development Projects

- 16 petrol attendants were trained in Tourism Awareness in Breedekloof area
- 30 social media training in Breedekloof area
- 40 front office personnel trained in Breedekloof area
- 12 waiters and housekeepers trained in Customer Care in McGregor
- 20 tourism SMME businesses supported with social media training, public speaking and press release writing courses in Montagu
- 10 petrol attendants and front office staff trained in educational in Tulbagh

Our REACH in communities through sports and recreation

- **31** sports and recreation clubs were supported, including Boland Cricket and SAFA Cape Winelands



- Development of the Touwsriver tourism office as tourism product servicing the Touwsriver community
- 20 youth from Stellenbosch trained for Idas Valley Community trails project
- 20 tourism entrepreneurs from Dwarsriver Valley trained in entrepreneurship workshop
- 20 matriculants trained in Youth Tourism Skills development in Franschoek and 5 petrol attendants taken on a tourism products educational
- 5 culture and nature guides from Mbekweni, Drakenstein trained

Township Tourism and Route Development

- 10 crafters were supported with marketing collateral
- 15 tourism SMME businesses were supported with grading
- Funding given for route map development support for the 5 towns in Langeberg area

Other local economic interventions in the Tourism Sector:

- 1 Tourism Radio Media Campaign focusing on bringing domestic tourists to the Cape Winelands
- 14 Tourism Town Apps were supported in the Cape Winelands
- 24 Business Retention and Expansion projects supported in the tourism sector
- 1 wine tourism attractions and visitor research project supported through Vinpro

CARING for our environment

ENVIRONMENTAL MANAGEMENT

Natural resource management programmes

Two projects: Cape Winelands Invasive Alien Vegetation Management Programme; and River Rehabilitation Programme

Forty-four (44) sites/contracts were awarded and cleared.

- Work opportunities created: **± 440**
- Hectares cleared: **± 2 550**

PROTECTING our communities

| TRAINING PROVIDED | NUMBER OF SESSIONS | NUMBER OF PEOPLE TRAINED/ REACHED | RELATED EDUCATIONAL MATERIAL DISSEMINATED |
|--|--------------------|-----------------------------------|---|
| Duties of the food handler | 15 | 140 | |
| Standard requirements for Food Premises, 5 Keys to Safer Food, Hygiene Requirements for Wine Cellars | 6 | 241 | 13 |
| Do's and Don'ts for Spaza Shops & Informal Food Preparation | | | 15 pamphlets |

| | | | |
|--|------------|---------------|---|
| Safe drinking water and cleaning of water tanks | 3 | 4 | |
| Health & Hygiene: Water & Sanitation Subsidy Programme | 64 | 3582 | |
| Personal Hygiene | 11 | 439 | 26 posters |
| Early Childhood Development Centres | 2 | 4 | |
| Handwashing | 14 | 706 | 131 posters |
| Covid-19 educational awareness material disseminated | | | 2 113 |
| Covid-19 awareness: Distribution of cloth masks | | 10 000 | |
| Covid-19: Bars of soap | | 1 500 | |
| Risk Assessment Workshops | 29 | | |
| Water safety training | 172 | 29 852 | |
| Disaster Management Awareness | | | 42 555 booklets, flyers and information pamphlets |
| Fire prevention through the distribution of smoke alarms | | 2 285 | |
| TOTAL | 316 | 48 753 | 44 853 |

ENVIRONMENTAL HEALTH TRAINING:
GLOBAL HANDWASHING TRAINING DAY 15 OCTOBER 2021



TRAINING OF FOOD HANDLERS



HEALTH AND HYGIENE TRAINING



FIREFIGHTING

Operational response and fire risk reduction

- The Fire Services attended to a total of **1 549 calls** from 1 July 2021 to the period ending June 2022.
- The Fire Services responded and attended to **1 249 fires** reported from 1 November 2021 to 30 April 2022.
- The CWDM created 8,5 hectares of strategic firebreaks throughout the district.



NATURAL RESOURCE MANAGEMENT

The CWDM invasive alien vegetation management and river rehabilitation programmes are implemented on municipal-/state-owned land. Local municipal supply catchments and nature reserves are targeted within the greater Berg and Breede River Catchments to ensure that water security and biodiversity conservation are prioritised and acted upon.

- 44 project sites cleared
- ± 2550,63 hectares cleared
- ± 440 work opportunities created (44 sites x 10 members in contracting team)

| | | |
|--|--|--------------------------------------|
| Breede Valley Municipality Tender (T2021/025) | SITE NAME: 1. BVM 1_2021 2. BVM 2_2021 3. BVM 3_2021 | HECTARES CLEARED: 332,613 |
| Drakenstein Municipality Tender (T2021/023) | SITE NAME: 4. DM 1_2021 5. DM 2_2021 6. DM 3_2021 7. DM 4_2021 8. DM 5_2021 9. DM 6_2021 10. DM 7_2021 11. DM 8_2021 12. DM 9_2021 13. DM 10_2021 14. DM 11_2021 15. DM 12_2021 16. DM 13_2021 17. DM 14_2021 18. DM 15_2021 19. DM 16_2021 20. DM 17_2021 21. DM 18_2021 22. DM 19_2021 23. DM 20_2021 24. DM 21_2021 25. DM 22_2021 | HECTARES CLEARED: 1 082 |
| Langeberg Municipality Tender (T2021/026) | SITE NAME: 26. LM 1_2021 27. LM 2_2021 28. LM 3_2021 29. LM 4_2021 30. LM 5_2021 31. Dassieshoek 1_2021 32. Dassieshoek 2_2021 33. Dassieshoek 4_2021 | HECTARES CLEARED: 684,7862 |
| Witzenberg Municipality Tender (T2021/024) | SITE NAME: 34. WM 1_2021 35. WM 2_2021 36. WM 4_2021 37. WM 5_2021 38. WM 6_2021 39. WM 7_2021 40. WM 8_2021 41. WM 9_2021 42. WM 10_2021 43. WM 11_2021 44. Ceres Dam F | HECTARES CLEARED: 451,05 |

COMPONENT D: RURAL AND SOCIAL DEVELOPMENT

The Division Rural and Social Development of the Cape Winelands District Municipality focuses on building and maintaining social capital through access to programmes and services. Related programmes aim to increase physical activity, enhance education, improve skills levels, enhance employability, and provide funding for community-based organisations and promote the rights of vulnerable groups. The success of these programmes is based on the strong and vibrant partnerships with national and provincial government, B-municipalities, civil society organisations, communities across the Cape Winelands municipal district and training institutions. The following projects were implemented to address the service delivery priorities for the 2021/2022 financial year.

A. COMMUNITY SUPPORT PROGRAMME

Non-profit organisations and community-based organisations are facing various challenges and financial constraints. The CWDM provides funding to support civil society organisations in rendering services that have a direct and immediate impact on the well-being of disadvantaged communities at a grass-root level. The funding maximised the poverty alleviation impact of thirty-one (31) community organisations across the Cape Winelands municipal district. This programme also enhances the capacity of beneficiary organisations to render services that will contribute to the achievement of the strategic objectives of the CWDM.

B. DISABILITY PROGRAMME

The CWDM aims to improve the livelihoods of people with disabilities and to address social barriers that exclude them from the various systems of society. Accessibility is important to achieve the principles of full inclusion, equality and participation in mainstream society.

I. International Day for Persons with Disabilities Project

On 3 December 2021, the CWDM, in partnership with government departments and NGOs in the disability sector, commemorated the International Day for Persons with Disabilities. Events were implemented in five B-municipalities of the CWDM to observe and promote the rights of persons with disabilities. These events covered the spectrum of disabilities and created an awareness amongst citizens of the district. 700 persons with disabilities and their families were reached through these programmes.

II. Disabled Grant in Aid

The Cape Winelands District Municipality provides funding to support civil society organisations in rendering services that have a direct and immediate impact on the wellbeing of people with disabilities across the district. The funding maximised the poverty alleviation impact of six (6) community organisations across the Cape Winelands municipal district. This programme also enhances the capacity of beneficiary organisations to render services that will contribute to the achievement of the strategic objectives of CWDM.

III. Adult diapers

The Cape Winelands District Municipality focuses on building and maintaining social capital through access to programmes and services. Our partners at the Department of Health, community-based services, social workers and NGOs indicated some challenges regarding the need for diapers. No adult, regardless of their level of physical or mental disability, should be treated different because aging and age-related conditions already rob our loved ones of much of their independence.



Through Rural and Social Development programmes, CWDM portfolio Councillor Palesa Ramokhabi visited old age homes across the district to hand over around 1 053 diapers the period of June 2022.

D. ELDERLY PROGRAMME

The Cape Winelands District Municipality strives to maintain and protect the status, wellbeing, safety and rights of older persons. This project also aims to promote and create an enabling environment for the elderly to participate actively in a healthy lifestyle, wellness and cultural activities. The CWDM acknowledge the valuable contributions that elderly persons have made in communities across the district.

a) More Living Active Age Project

Recreational and cultural tours were undertaken as part of the More Living Active Age Programme for the elderly in our district. These tours provided the elderly with opportunities to research on the socio-economic, cultural and historical developments that have taken place, as well as the significant impact the history and developments had on the underprivileged communities and the elderly. The support of Cape Winelands District Municipality created opportunities for elderly persons to visit recreational and historical landmarks. Some elderly persons have never been out of their residential areas due to financial constraints and the municipality provided them with the opportunity. Approximately 450 elderly persons from across the district were the beneficiaries of the recreational and educational excursions.

E. SANITARYWARE

The CWDM, in partnership with the Department of Education in our district, encourages citizens to acknowledge education as a tool for a better future. Both the CWDM and the DOE ensure that the education of young girls is not hindered due to a lack of the basic necessity of feminine hygiene products, and rural schools across the district were thus visited to hand over sanitary towel packs.

The Rural and Social Development Division of the CWDM focuses on building and maintaining social capital through access to programmes and services. The Department of Health conducts Health and Hygiene awareness programmes at centres across the district. One of the challenges identified was the need for sanitaryware for school learners across the district. The success of this programme is based on the strong and vibrant partnership with the Department of Education in our district.

Through Rural and Social Development programmes, CWDM portfolio Councillor Wilhemina Petersen visited 34 schools across the district to hand over approximately 12 121 packs of sanitaryware during April 2022.

Young people are the heart of the future of South Africa and of our district. The CWDM wants to break the cycle of poverty and education plays an integral role in doing this, thus this initiative will continue to ensure that not one girl misses a single day of her education.

F. ECD SUPPORT

The Cape Winelands District Municipality has invested in various programmes to better the education provided in early childhood development, as not only are the care and protection of young children essential, but also their development. The programmes also ensure that these babies and toddlers attend creches that have adequate facilities to give children a good start in life. The building of human capital places a specific focus on opening doors of learning and culture by providing grant in aid to 40 ECD centres.

G. HIV AND AIDS PROGRAMME



HIV and Aids impact on the sustainability of communities and their development conditions. The implementation of interventions is crucial in ensuring that the vulnerability of infected and affected persons is decreased. Campaigns regarding HIV/Aids awareness, World Aids Day, HIV/Aids and male circumcision; HIV and breastfeeding and 16 Days of Activism Against the Abuse of Women and Children are implemented in partnership with the multisectoral action team structures in each B-municipal area. These programmes focus on reversing the effects of the HIV/Aids pandemic and providing support to infected and affected families in the district.

a) 16 Days of Activism

The municipality facilitates joint planning and collates the inputs of all partners to produce a district calendar of events implemented across the district. The calendar provides a 16-day window (25 November to 10 December) of opportunity in communities for intense awareness raising and education to reduce levels of women and child abuse. Catalytic events include the launch of the 16 Days of Activism campaign, World Aids Day and the International Day for People with Disabilities. The objectives of the 16 days of Activism Against Women and Child Abuse campaign are to change behaviour through public awareness and education on the rights of people living with HIV/Aids and those who are HIV positive; to generate awareness of the incidence of violence against women and children; to highlight the stories of survivors of gender-based violence and the impact that the campaign has had on their lives; and to create awareness of the link between HIV/Aids and gender-based violence. Approximately 1 000 persons are reached through the 16 Days of Activism programmes.

H. SKILLS DEVELOPMENT PROGRAMME

Skills development is identified as one of the priority needs for sustainable development in rural communities within the Cape Winelands District Municipality. Violence, social isolation and low education levels make young, unemployed women more vulnerable and increase their risk of sexual exploitation. Economic empowerment opportunities reduce conditions of vulnerability and improve the resilience of young women. Young people are the important focus and a priority because the lack of skills development contributes to increasing unemployment rates amongst youth in rural areas. The skills development programme, which also forms part of the EPWP programmes of the municipality, enhances employability and SMME development amongst women and youth.

a) Driver's Licence Training Project

The CWDM, in partnership with the departments of Health, Education and Social Development and Breede Valley Municipality, embarked on an integrated governmental relations programme in the Stellenbosch area to assist eleven interns in obtaining their driver's licence. Training consisted of 10 practical driving lessons and a driver's licence test. The lack of skills development affects sustainable development in the rural communities of the Cape Winelands District. Violence, social isolation and low education levels make young, unemployed youth more vulnerable and increase their risk of sexual exploitation and drug abuse. The municipality has identified the need to empower young people by providing access to K53 driver's licence training. The project, run by He & She Driving Training Centre, was completed in March 2022.

I. YOUTH PROGRAMME

Young people are at the heart of the future of South Africa, and they face many challenges in modern-day society. There is great benefit in investing in young people by creating pathways for accelerated development. When young people can claim their right to health, education and decent working conditions, they become a powerful force for economic development and positive change. Initiatives



for youth are crucial in terms of the economy and the prevention of social crimes. Youth development programmes were implemented in partnership with various youth sector organisations. These programmes focused on equipping the youth with life skills, job readiness, entrepreneurial skills and career guidance.

a) Grade 12 Top Achievers

The Grade 12 Top Achievers annual event was held virtually on the 3 February 2022 and was attended by learners from all the schools in our region, together with their parents. The Cape Winelands District Municipality hosted the event in partnership with the Department of Education. The programme director was Mr Pietie Williams, Executive Director at the CWDM and the CWDM Executive Mayor, Ald (Dr) Elna von Schlicht was the guest speaker.

COMPONENT E: SPORTS AND RECREATION

Sports, recreational and cultural programmes provide opportunities for vulnerable groups to participate in mass participation events. These programmes enhance social cohesion amongst communities and allow children, families, senior citizens, the disabled, men and women to participate in and attend numerous events that would otherwise have been inaccessible to them.

Sports and Cultural Events Funding Programme

Funding was provided to support sports and cultural organisations in implementing mass participation events in order to maximise the impact of healthy lifestyles promoted by community organisations across the Cape Winelands Municipal district. This programme also enhances the capacity of beneficiary organisations to render services that will contribute to the achievement of our strategic objectives. The programme provides opportunities to vulnerable groups to advance to local, provincial and national level competitions. During the 2021/2022 financial year, 31 organisations benefited by this programme.

Clubs supported

A number of clubs and organisations were supported to honour their league games across the district. **10 136** people from rugby clubs, soccer clubs and NPOs were reached via various sporting codes across the district.

COMPONENT F: MUNICIPAL HEALTH SERVICES

LEGAL FRAMEWORK

In terms of section 156(1)(a) in Part B of Schedule 4 of the Constitution of the Republic of South Africa, 1996, municipal health services (MHS) are entrusted to local authorities. According to section 84(1)(i) of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998), MHS was consequently declared the responsibility of a district municipality (Category C) and/or metropolitan area (Category A).

The National Health Act, 2003 (Act No. 61 of 2003) in section 32(1) tasks every metropolitan and district municipality to ensure the provision/rendering of municipal health services.

Therefore, the Minister of Local Government and Housing in Government Notice No. 826, dated 13 June 2003, with effect from 1 July 2004 entrusted the delivery of MHS to district and metropolitan municipalities.

In terms of section 1 of the National Health Act, 2003 (Act No. 61 of 2003), municipal health services are declared to consist of:

- water quality monitoring;
- food control;
- solid waste management;
- health surveillance of premises;
- surveillance and prevention of contagious diseases, excluding immunisation;
- vector control;
- environmental pollution control;
- disposal of the dead; and
- safe handling of chemical substances, excluding port health, malaria control and control of hazardous substances.

MUNICIPAL HEALTH SERVICES MISSION AND VISION

MISSION

To ensure a well-managed, accessible, quality, comprehensive and equitable municipal health service throughout the Cape Winelands District.

VISION

A safe and healthy environment for all communities within the Cape Winelands district.

COVID-19

Municipal Health Services played an active and essential role in the country’s fight against the Covid-19 pandemic, which involved the following key activities:

- Served on District and Subdistrict Joint Operation Committees.
- Served on other related structures such as the Provincial Mass Fatality Committee.
- Monitored compliance in general.
- Involvement in several joint operations with the Department of Health with regard to compliance inspections or dealing with complaints.
- Submitted regular reports to both national and provincial structures.
- Active involvement in educating the general population and distributed thousands of informative posters and pamphlets across the district. Education was conducted at schools, community gatherings and facilities such as old-age homes and companies wishing to educate their employees.
- Played a key role in the identification and inspection of mass vaccination sites and the monitoring of environmental health conditions at various quarantine and isolation sites.
- Site inspections in terms of the Western Cape Government Health Department’s Vaccine Healthcare Risk Waste (HCRW) Management Plan was also routinely done.
- Funeral undertakers and the management of Covid-19 bodies were monitored and managed by the division.
- Quarantine and isolation sites were routinely inspected by the responsible Health Officers/ Inspectors.
- All quarantine and isolation sites in the district were decommissioned at the end of February 2022.



EDUCATION AND TRAINING 2021/2022

Education and training form an integral part of the services rendered by MHS and in this regard training is provided in a variety of disciplines to individuals and groups.

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Due to the Covid-19 pandemic, access to schools were restricted and subsequently the theatre performance could not be presented at schools in 2021/2022.

| TRAINING PROVIDED | NUMBER OF SESSIONS | NUMBER OF PEOPLE TRAINED | EDUCATIONAL MATERIAL DISSEMINATED |
|---|--------------------|--------------------------|-----------------------------------|
| Duties of the Food Handler | 15 | 140 | |
| Standards & Requirements for Food Premises, 5 Keys to Safer Food, Hygiene Requirements for Wine Cellars | 6 | 241 | 13 |
| Do's and Don'ts for Spaza Shops & Informal Food Preparation | | | 15 pamphlets |
| Safe drinking water and cleaning of water tanks | 3 | 4 | |
| Health & Hygiene: Water & Sanitation Subsidy Programme | 64 | 3 582 | |
| Personal Hygiene | 11 | 439 | 26 posters |
| Early Childhood Development Centres | 2 | 4 | |
| Handwashing | 14 | 706 | 131 posters |
| Covid-19 educational awareness material disseminated. | | | 2 113 |
| | 115 | 5 116 | 2 298 |

TRAINING OF FOOD HANDLERS: 9 DECEMBER 2021



GLOBAL HANDWASHING TRAINING DAY 15 OCTOBER 2021



MHS – WATER AND SANITATION PROJECT

Access to safe drinking water and dignified sanitation is a prerequisite for health and is a fundamental human right. A key function of MHS is the prevention of communicable diseases such as cholera, diarrhoea, hepatitis A and typhoid, which are all associated with poor sanitation.

The Municipal Health Services: Water and Sanitation Project promotes and facilitates the provision of these services to farm workers and rural dwellers, thus elevating the general health and wellbeing of these communities.

Despite the challenges that arose due to the Covid-19 pandemic, the MHS division was able to assist 15 farms to provide 52 households with running water in their kitchens, 37 households with complete bathroom facilities and nine households with toilet facilities inside their homes and one VIP unit.

This project will continue to identify needs within our rural communities and ensure compliance with minimum standards to promote a safe and healthy living environment for rural dwellers that promote the dignity, health and wellbeing of these communities.

In addition, the project also provides basic health and hygiene training to beneficiary communities, farm dwellers and rural schools. The service provider, Keep the Dream 285, implemented this project that provided training at 31 premises and reached 5 370 people.

Training addresses problematic areas commonly identified at farm dwellers' housing and includes issues such as:

- Waste management
- Pest Control
- The correct use and maintenance of sanitary facilities
- Personal hygiene and handwashing
- Water conservation, and reporting problems relating to water quality and infrastructure

CWDM promotional and educational material was distributed during these training sessions. This project has been well received, especially by schools who submitted several letters with positive feedback.



FUNCTIONS

WATER QUALITY MONITORING

DEFINITION

Monitoring and surveillance of water safety, quality and availability intended for human consumption, recreational and industrial use.



This function includes the following:

- Monitoring of water reticulation systems in terms of health-related issues;
- Monitoring of quality and availability of water intended for human consumption, recreation or industrial use;
- Regular sampling and analysis of water;
- Identifying and controlling sources of water pollution;
- Protection of water sources and resources through the enforcement of laws and regulations relating to water quality;
- Ensuring water supply that is safe for human consumption and that complies with the Water Services Act, 1997 (Act No. 108 of 1997) and SANS Code 241; and
- Implementation of health and hygiene awareness actions and education relating to water quality, water supply and sanitation.

This function excludes water supply and purification.

| WATER QUALITY SAMPLING 2021-2022 | |
|--|--------------|
| General limit for wastewater discharged into a water resource | 102 |
| Legionella screening | 2 |
| Moore pads | 16 |
| SANS 241 Farms Non-Water Services Authority: Specifications for Drinking Water | 216 |
| SANS 241 Rural Schools Non-Water Services Authority: Specifications for Drinking Water | 135 |
| SANS 241 Water Services Authority: Specifications for Drinking Water | 596 |
| Special limit for wastewater discharged into a water resource | 52 |
| Standard for rivers, dams, canals | 180 |
| Standard for swimming pool water | 68 |
| Water used in milking sheds | 28 |
| TOTAL | 1 395 |

FOOD CONTROL

DEFINITION

Food control is described by the World Health Organisation (WHO) as a mandatory regulatory activity of enforcement by national or local authorities to provide consumer protection and ensure that all foods are safe, wholesome and fit for human consumption during production, handling, storage, processing and distribution; conform to quality and safety requirements and are honestly and accurately labelled as prescribed by law.

The function ensures consumer protection through the following actions:

- Food inspection at point of production, storage, distribution and consumption.
- Regulate food premises regarding hygiene and the prevention of nuisances through certification, regular inspections and the enforcement of the Regulations governing General Hygiene Requirements for Food Premises, the Transport of Food and Related Matters, R638 of 23 June 2018;
- Regulate milking sheds and issue Certificates of Acceptability for Milking Sheds in terms of Regulations relating to Hygiene Requirements for Milking Sheds and the Transport of Milk and Related Matters, R961 of 23 November 2012;
- Regulate the informal food industry by means of R962 of 23 November 2012;
- Control of food premises by issuing Certificates of Acceptability for Food Premises in terms of Regulation R638 of 23 June 2018;

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- Ensure that food is safe and healthy for human consumption through enforcement of the Foodstuffs, Cosmetics and Disinfectants Act, 1972 (Act No. 54 of 1972);
- The detention, seizure, condemnation and sampling of foodstuffs in terms of Regulations relating to the Powers and Duties of Inspectors and Analysts conducting Inspections and Analyses on Foodstuffs and at Food Premises, R328 of 20 April 2007;
- Monitor labelling of foodstuffs as prescribed by the Foodstuffs, Cosmetics and Disinfectants Act, 1972 (Act No. 54 of 1972);
- Provide education and training on food safety to the food industry; and
- Issue Export Certificates at the request of industries.

| ACTIVITIES CONDUCTED IN RELATION TO FOOD CONTROL | |
|--|-------|
| Number of inspections conducted at food premises | 8 645 |
| Applications for Certificates of Acceptability inspections conducted | 849 |
| Number of Certificates of Acceptability issued | 826 |
| Number of orders and notices issued to food premises | 109 |

| FOOD SAFETY SAMPLING 2020 – 2021 | |
|---|--------------|
| Surface swabs analysed | 42 |
| Cooked poultry | 99 |
| Cooked seawater and freshwater foods | 70 |
| Dairy products or composite dairy products with the exception of ripened cheese | 128 |
| Desiccated coconut | 4 |
| Dried spices and aromatic plants | 66 |
| Edible ices | 32 |
| Fruit juice for consumption | 64 |
| General microanalyses of foodstuffs | 143 |
| Ripened cheese | 24 |
| Natural mineral water or bottled water | 84 |
| Partly cooked or uncooked seawater and freshwater foods | 21 |
| Pasteurised milk, pasteurised reconstituted (prepared) milk, pasteurised skimmed milk, pasteurised reconstituted (prepared) skimmed milk or pasteurised cream | 207 |
| Raw milk intended for further processing | 34 |
| Rooibos tea in bulk at the point of sale | 1 |
| Rooibos tea packed in retail packaging at the point of sale | 1 |
| TOTAL | 1 020 |

WASTE MANAGEMENT

DEFINITION

Monitoring of waste management systems, refuse, healthcare waste, hazardous waste and sewage.

This function refers to:

- the monitoring of waste management systems, including healthcare waste (SANS 10248: 2004), hazardous waste, sewage and wastewater;
- monitoring for the occurrence of health nuisances during the storage, treatment, collection, handling and disposal of the various categories of waste;
- taking samples of any waste product and the analysis thereof in order to determine possible health risks;
- the identification of needs and motivation for the promotion of sanitation;



- the enforcement of municipal by-laws and the National Health Act, 2003 (Act No. 61 of 2003) where health nuisances arise as a result of waste;
- excludes the operation of a waste management system as rendered by B-municipalities; and
- educating communities within the Cape Winelands on issues of waste management and pollution control.

HEALTH SURVEILLANCE OF PREMISES

DEFINITION

The identification, monitoring and evaluation of health risks, nuisances and hazards and instituting remedial and preventative measures. This function includes:

- the identification, monitoring and evaluation of health risks, nuisances and hazards;
- acting in terms of the National Health Act, 2003 (Act No. 61 of 2003) and the municipal health by-laws to ensure that corrective and preventative measures are implemented;
- registering and certifying funeral undertakers' premises and mortuaries in terms of R363 of 22 May 2013, regulations relating to the management of human remains;
- monitoring premises on an ongoing basis for compliance with health regulations relating to smoking in public places;
- providing inputs towards environmental impact assessments on health-related issues;
- the prevention or reduction of any condition on any premises that may be hazardous to the health or welfare of people;
- law enforcement; and
- educating communities of the Cape Winelands on communicable diseases.

SURVEILLANCE AND PREVENTION OF COMMUNICABLE DISEASES EXCLUDING IMMUNISATIONS

DEFINITION

The identification, monitoring and prevention of any disease that can be communicated directly or indirectly from any animal or through any agent to any person or from any person suffering therefrom or who is a carrier to any other person.

This function entails:

- the identification, investigation and monitoring of outbreaks of listed notifiable medical conditions;
- the introduction of the required corrective and preventative measures;
- deployment of the required response teams in respect of municipal health;
- the promotion of health and hygiene aimed at preventing the incidence of environmental conditions that could result in contagious diseases;
- the drafting of contingency plans for certain diseases and giving inputs and participating in disaster management plans; and
- the collection, analysis and dissemination of epidemiological data and information.

VECTOR CONTROL

A vector is any organism (insect or rodent) that can transmit a disease from one organism to another.

DEFINITION

Monitoring, identification, evaluation and prevention of vectors.



The function refers to:

- the elimination or correction of conditions promoting the habits and breeding habits of vectors; and
- developing awareness in communities of zoonotic diseases by means of vectors and the control thereof through education and training.



ENVIRONMENTAL POLLUTION CONTROL

DEFINITION

The identification, evaluation, monitoring and prevention of land, soil, noise, water and air pollution.

The National Health Act, 2003 (Act No. 61 of 2003) refers to pollution as per definition in section 1 of the National Environmental Management Act, 1998 (Act No. 107 of 1998), which defines pollution as any change in the environment caused by: • substances • radioactive or other waves or • noise, odours, dust or heat; emitted from any activity, including the storage or treatment of waste or substances, construction and the provision of services, whether engaged in by any person or an organ of state, where the change has an adverse effect on human health or wellbeing or on the composition, resilience and productivity of natural or managed ecosystems, or on materials useful to people, or will have such an effect in the future.

The function relates to the identification, evaluation, monitoring and prevention of the pollution of soil, water, air and noise in so as far as it relates to health:

- Promote living areas safe for your health;
- Identify pollution agents and sources;
- Provide health-related inputs regarding new developments;
- Evaluate and give input regarding environmental impact studies; and
- Educate and train communities regarding environmental pollution.

DISPOSAL OF THE DEAD

DEFINITION

Compliance monitoring of funeral undertakers, mortuaries, embalmers, crematoria, graves and cemeteries and to manage, control and monitor exhumations and reburial or disposal of human remains.

This function refers to the monitoring and certification of:

- undertakers and embalmers;
- mortuaries and other places involved in the handling of human remains;
- facilities for storing corpses/human remains;
- treatment, removal or transport of corpses;
- monitoring of cemeteries, crematoriums and other facilities for the disposal of corpses; and
- monitoring and supervision of exhumations and re-interments.

There are currently two crematoria and 36 certified undertakers operating within the boundaries of the CWDM.

SAFE HANDLING OF CHEMICAL SUBSTANCES

DEFINITION

The monitoring, identification, evaluation and prevention of risks relating to chemicals hazardous to humans (e.g. storage and use of agricultural substances). This function refers to:



- the education and training of high-risk groups and communities in the safe use and handling of chemicals; and
- investigating incidences of pesticide poisoning.

COMPONENT G: ENVIRONMENTAL PROTECTION

AIR QUALITY MANAGEMENT

The responsibility and accountability for the implementation of the National Environmental Management: Air Quality Act (NEM: AQA) in the CWDM resorts under the Municipal Health Services and the Air Quality Management division within the Department Community Development and Planning Services.

CWDM Air Quality Management Plan

To ensure the effective execution of the assigned roles and legislative responsibilities of air quality management under NEM: AQA, the approved 2nd Generation CWDM district-specific AQMP in terms of section 15 (2) of NEM: AQA was included as a sector plan in the CWDM Integrated Development Plan. The CWDM has a designated air quality officer (AQO) in terms of section 14(3) of the NEM: AQA to coordinate matters pertaining to air quality management within the district.

Air Quality Training

The CWDM Air Quality Officer (AQO) and/or CWDM officials attended the following training/workshops over the reporting period:

- Department of Forestry, Fisheries and Environment (DFFE) – National Atmospheric Emissions Inventory System (NAEIS) training: 23 July 2021
- DFFE – Emission Management Short Course: 23-26 August 2021
- National Association for Clean Air – Draft South African Atmospheric Emission Licence and Inventory Portal Data Management Policy: 8 September 2021
- DFFE – System for National Atmospheric Emission Licensing (SNAEL) training: 14 September 2021
- DEA&DP – Air Quality Capacity Building Workshop in relation to Animal Matter Best Available Technology, Waste Management Legislation, Waste Licence Process and Waste to Energy Projects: 10 November 2021
- DFFE – SAAQIS User training: 14 December 2021
- DFFE – Consultation meeting w.r.t. the National Monitoring Network Redesign Model: 22 February 2022
- DFFE – Concurrence meeting with all relevant licensing authorities regarding the postponement of compliance timeframe application with the 2020 minimum emission standards for Independent Crematorium South Africa: 9 June 2022
- DFFE – NAEIS Audit training: 10 June 2022
- DEA&DP – Air Quality Officers Technical Meeting on applicability of NEMA section 24 on officials: 29 June 2022



Air Quality Monitoring

DEA&DP operates three ambient air quality monitoring stations as part of the Western Cape Ambient Air Quality Monitoring Network within the CWDM. The set of air quality parameters as measured at each monitoring station provided a perspective on air quality at these locations and could indicate possible causes of air pollution in an area. DEA&DP compared the data obtained from these stations to the respective annual averages of the National Ambient Air Quality Standards (NAAQS). During the 2021 reporting period, the three monitoring stations as operated within the CWDM indicated general good air quality.

Ageing analysers and the national loadshedding in some cases resulted in stations not operating optimally and/or reduced data recovery. DEA&DP initiated a programme to replace ageing ambient air quality monitoring equipment at their monitoring stations, which will result in better ambient data capturing. CWDM officials assisted DEA&DP D: AQM in monitoring activities and/or to perform minor tasks at the mentioned ambient air quality monitoring stations.

The following monitoring locations within the CWDM are part of the DEA&DP ambient air quality monitoring network:

- Worcester (Meirings Park) operational since July 2009.
- Stellenbosch (Bird Street) operational since October 2011.
- Paarl (Van Riebeeck Road) operational since June 2018.

Intergovernmental Cooperation / Industry Working Groups

Effective air quality management requires effective engagement and collaboration between various spheres of government. The CWDM follows an integrated approach with the five local municipalities, DEA&DP Directorate: Air Quality Management and industry in mutually addressing air quality management within the CWDM. Both the district and local municipalities work together to address air quality matters within the district resorting under municipal legislation over and above NEM: AQA.

In order to strengthen the functionality and support Air Quality Management within the district, the CWDM supported the five local municipalities through exchange of knowledge and expertise in air quality. During this reporting period, the CWDM assisted with the following air quality-related matters within the municipalities:

Stellenbosch Municipality

- Provided input and guidance for the establishment of a facility under NEM: AQA to cremate pets as a Section 21 listed activity in Klappmuts.
- Smoke/odours relating to a coffee roaster at Terbodore Coffee Roasting in Franschoek.
- Guidance on odour emanating from a fire within an office building at Stellenbosch Municipality.
- Provided input at site inspection at Roulou Farm near Stellenbosch to investigate odour complaints.
- Provided input at an intergovernmental site inspection to investigate air pollution-related complaints at Bronze Editions Fine Art foundry in Koelenhof.

Drakenstein Municipality

- Intergovernmental meeting and discussions with public who objected to the proposed Wellington Crematorium on the environmental authorisation granted by DEA&DP and the subsequent AEL application.

- Discussions and input to smoke emanating from agricultural biomass burning at Farm Lustigan, Paarl.
- Provided input on the determination of applicability of section 21 on the Diana Pet Foods facility in Paarl.
- Provided input at virtual intergovernmental meeting regarding a NEMA Section 30 incident with accidental release of ammonia fumes from the refrigeration system within the Nitro Cellulose Plant at Rheinmetall Denel Munition, Wellington.
- Provided input to Agriprotein for the proposed establishment of an insect protein production facility and the applicability of Category 10: Animal Matter Processing at such a facility.
- Site visit and investigation at the Shell petrol station at Du Plessis Motors in Wellington. Complaints investigated on possible fuel vapour releases from vent pipes of underground fuel tanks into restaurant from the adjacent petrol station.
- Site visit and input on a dust complaint from a gravel road at Malanstasie Road in Wellington.



Image: Vent pipes on fence line

Witzenberg Municipality

- Discussions and input to smoke emanating from burning of agricultural biomass and residential waste at Petervale Guest Farm, Prince Alfred Hamlet.
- Site visit and discussions on smoke complaint from Ceres Fruit Juices facility, Ceres.

Breede Valley Municipality

- Input as atmospheric emission licensing authority for the ICSA Worcester postponement application on the National Minimum Emission Standards and replacement of a cremator.
- Discussions and input for a LPG Cylinder installation project at Afrox Gasfit in Worcester.
- Provided input related to air quality management on the Draft Basic Assessment Report for the proposed expansion of an existing abattoir on Erf 11926, Worcester.
- Site visit at RCL Foods in Worcester to assist the facility to include new ozone generator in AEL.
- Provided input and guidance for the establishment of an Asphalt Plant as a Section 21 listed activity at the Afrimat Brewelskloof Quarry in Worcester.
- Provided input for obtaining authorisation to operate a mobile temporary incinerator to incinerate birds dying from Avian Influenza at RCL Foods chicken farms.
- Guidance to install a small boiler for the Vinaqua Wastewater Treatment plant at the Worcester Brenn-o-Kem facility.
- Provided input at a site meeting with Oxin Freight requesting permission to stockpile coal at Naudé Bakstene on the Goudini Road, Worcester.
- Site visit in relation to odour complaint at RCL Foods Worcester with discussions and input on replacement of damaged ducting of the odour system.



- Provided input and guidance for the establishment of a facility under NEM:AQA for the establishment of cremation facility for Hernell Funerals Aan De Doorns Road, Worcester,

Langeberg Municipality

- CWDM comment towards air quality management for the temporary departure application for crushing of rock in Agricultural Zone I on the farm Klaas Voogds, Robertson.
- Intergovernmental site inspection at Bonnievale Abattoir on an odour complaint, provided input with discussions on the management of odours at the animal rendering plant.
- Provided input to Langeberg Municipality on the stack emission report from Forest Timber for the operation of a wood burning appliance.
- Input and guidance on the Robertson Winery oxidation ponds for management of odour.
- Discussions and input to smoke emanating from the illegal burning of household waste at Poortjieskloof, Montagu.
- Provided input on air quality management on the Draft Scoping Report Application for a mining right on the farm Klaas Voogds Rivier 37, Robertson.
- Gave input to complaints from aircraft noise in Robertson.

The CWDM AQO attended and provided feedback on air quality management on national, provincial, local municipal level in relation to the implementation of the NEM: AQA, as well as the National Framework for Air Quality.

CWDM successfully partook in information sharing and provided input to the following:

- New or amended legislation under NEMA and its SEMAs as well as other air quality management related strategies such as –
 - Draft amendment for temporary asphalt plants
 - Draft small boiler amendment
 - Draft Dust Management strategy
 - SOPs between DMRE and Air Quality Authorities
 - SOPs on AELs
 - Proposed Section 21 Listed Activities amendments.
- Distribution and sharing of air quality-related articles
- Quarterly and Special Western Cape Air Quality Officer and Noise Forum
 - Attendance quarterly Provincial Air Quality Officer and Noise Forums
 - Attendance quarterly Provincial Western Cape AQMP Working Groups for implementing the Provincial Western Cape AQMP
 - Input into the Western Cape Air Quality Officer's report 2021
- Meetings with different DEA&DP directorates and local municipalities on:
 - NEMA Section 30 incidents
 - NEMA Environmental Authorisations
 - Rezoning and/or departure applications

Managing Industry – Listed Activities and Controlled Emitters

All Section 21 listed activities and Section 23 controlled emitters in operation during this reporting period was captured and included in a comprehensive CWDM database indicated as in Table 2 and Table 3.

Table 2: Section 23 Controlled Emitters

| ACTIVITY | TYPE OF ACTIVITY | ACTIVITY DESCRIPTION |
|--------------------------|------------------|---|
| Ashton & Langeberg Foods | Section 23 | Small Boiler - Coal fired boiler |
| Ceres Fruit Juices | Section 23 | Small Boiler - Coal & HFO fired boilers |
| Ceres Fruit Processors | Section 23 | Small Boiler - Coal fired boilers |
| Distell | Section 23 | Small Boiler - Coal fired boiler |
| KWV | Section 23 | Small Boiler - Coal fired boiler |

Table 3: Section 21 Listed *Activities*

| ACTIVITY | TYPE OF ACTIVITY | ACTIVITY DESCRIPTION |
|--|------------------|----------------------------------|
| Boland Bricks | Section 21 | Clamp kilns for brick production |
| Cabrico Brickfields | Section 21 | Clamp kilns for brick production |
| Cape Lime | Section 21 | Lime production |
| De Hoop Brickfields | Section 21 | Brick production |
| Drakenstein Crematorium | Section 21 | Crematorium |
| IC-SA Crematorium | Section 21 | Crematorium |
| Naude Bakstene Bk | Section 21 | Clamp kilns for brick production |
| Nuwejaarsrivier Landgoed t/a Paarl Brickfields | Section 21 | Clamp kilns for brick production |
| McMillan Bricks | Section 21 | Clamp kilns for brick production |
| RCL Foods | Section 21 | Animal rendering plant |
| Rheinmetall Denel Munition | Section 21 | Ammunition production |
| Twohil Company t/a Tulbagh Bricks | Section 21 | Clamp kilns for brick production |
| Western Cape Provincial Veterinary Laboratory | Section 21 | Veterinary waste incinerator |
| Worcester Bakstene | Section 21 | Clamp kilns for brick production |

The CWDM performed an audit on all the data and monitoring results as submitted by Section 21 and Section 23 facilities on the National Atmospheric Emissions Inventory System. Upon the CWDM audit on the NAEIS submissions, several facilities received an audit finding from the CWDM to correct and resubmit. The facilities all resubmitted their revised NAEIS reports and subsequently the CWDM passed these NAEIS reports within the audit cycle for 2021.



In 2022, the CWDM assisted both Section 21 and Section 23 facilities with the completion of the NAEIS reports for the preceding year and ensured all the industries within the CWDM as registered on NAEIS, submitted their reports before the 31 March 2022 deadline. Emphasis placed on the submission of fugitive emissions sources and the reporting of these emissions.

Air Quality-related Complaints

The CWDM was actively involved in assisting local municipalities to address complaints. The more complex complaints were addressed through intergovernmental interaction between DEA&DP, local AQOs and the CWDM AQO.

A low number of complaints received during the reporting period related to regulated Section 21 listed activities or Section 23 controlled emitters could indicate that the conditions and requirements set within the AELs possibly contributed to prevent, control, abate or mitigate pollution on receiving environment.

Table 3: Air Quality Complaints

| COMPLAINTS | July - Sept | Oct - Dec | Jan - March | April - June |
|---------------------|-------------|-----------|-------------|--------------|
| Fumes | 1 | 1 | 3 | 2 |
| Smoke | 3 | 4 | 2 | 1 |
| Dust | 1 | 3 | 1 | 0 |
| Burning waste/tyres | 0 | 0 | 1 | 2 |
| Farm land burning | 4 | 1 | 1 | 4 |
| Crop spraying | 2 | 1 | 3 | 0 |
| Offensive odours | 4 | 5 | 4 | 5 |
| TOTAL | 15 | 15 | 13 | 14 |

Successes

- Replacement of the old cremator at Drakenstein Crematorium with new cremator.
- Designation of Air Quality Officer as Environmental Management Inspector.
- Successful intergovernmental working relationship with local municipalities and DEA&DP to address air quality management within the district to ensure minimum adverse impacts on the receptor community and the environment.

COMPONENT H: DISASTER MANAGEMENT SERVICES

DIVISION: DISASTER MANAGEMENT SERVICES

The Cape Winelands Disaster Management Centre (CWDMC) consists of a Disaster Management Centre and four permanent staff members assisted by an intern. The purpose of the CWDMC is to ensure the coordination of multidisciplinary and multisectoral risk reduction through integrated institutional capacity for disaster risk management, disaster risk assessment, response and recovery.

The CWDMC is fully functional and compliant with the Disaster Management Act, 2002 (Act No. 57 of 2002) as amended by the Disaster Management Amendment Act, 2015 (Act No. 16 of 2015).

The functions of Disaster Management include:

- Risk assessment: A process to determine the nature and extent of risk by analysing potential hazards and evaluating existing conditions of vulnerability that could pose a potential threat or harm to people, property, livelihoods and the environment on which they depend.
- Planning: This includes the development of disaster management plans, standard operating procedures, seasonal preparedness plans, and contingency plans.
- Risk reduction: This includes:
 - prevention – how to avoid the adverse impacts of a hazard, which includes awareness and education programmes.
 - mitigation – this can include structural or non-structural measures undertaken to limit the adverse impacts of a hazard, including policies or physical structures.
 - preparedness – activities and measures taken in advance to ensure effective response to the impacts of hazards, including the issuing of early warnings, evacuation of people, etc.
- Response: The provision of assistance during or immediately after a disaster. This can be short-term such as the provision of relief items, e.g. food parcels and blankets, or of a protracted duration such as setting up of temporary shelters.
- Recovery: Decisions and actions taken after a disaster with a view to restoring the situation to normality or improving the pre-disaster conditions.

During the financial year, the Disaster Management Division's activities included:

Disaster Management Advisory Forum

In terms of section 51 of the Disaster Management Act, 2002 (Act No. 57 of 2002), the CWDMC established a Disaster Management Advisory Forum that consists of representatives from the five local municipalities, provincial and national departments and other disaster management role-players. This forum meets on a bi-annual basis. The forum meetings provide the CWDMC with an opportunity to engage role-players on the disaster management-related activities taking place in the district. This is an important platform in order to provide members with important information such as seasonal forecasts and reports on significant incidents or disasters that have occurred in the district. The meetings for 2021/2022 took place in December 2021 and June 2022.

Coordination of Disaster Management function in the district



The Division held quarterly Disaster Management meetings with the local municipalities. The purpose of these meetings is to coordinate the function of disaster management in the district. Service level agreements have been signed with Langeberg and Witzenberg municipalities to assist them with the function. Engagements took place for service level agreements to be drafted for Breede Valley and Drakenstein municipalities.

Capacity at the local municipalities: The division has continued to support municipalities with capacity for the function of disaster management. Interns were provided to Breede Valley, Drakenstein, Langeberg and Witzenberg municipalities. The provision of an intern is the first step to build capacity within these municipalities. In many municipalities, the function of disaster management is the responsibility of the Chief Fire Officer and they do not have a designated Disaster Management Officer to perform the function of disaster management. During the financial year, the Disaster Management Division provided the five local municipalities with an incident reporting, management and communication system to assist with the coordination of disaster management in the district.

Early warnings: The division provides early warnings to all Disaster Management Advisory Forum members, local municipalities and internal departments. During the 2021/2022 financial year, the following information was distributed regularly:

- Weekly dam level reports
- Weather alerts disseminated. These weather alerts included flooding, damaging winds, heavy rain, snow, veld fires, extreme heat, high discomfort values, heat waves and severe weather
- Bi-weekly weather forecasts for the five major towns in our district
- Impact-based severe weather warnings sent to local municipalities
- Various health communications, situation reports, etc.

Relief activities: The division provided relief assistance to a number of community members affected by fires or flooding. The division works closely with the local municipalities to ensure that there is no duplication of assistance.

Coordination of Covid-19: The District Covid-19 Joint Operations Centre (JOC) continued to meet for the purpose of the coordination of response and relief effort for the Covid-19 pandemic. The frequency of meeting was dependent on the alert level and waves. The JOC was deactivated on the termination of the State of Disaster. The Department of Health will be responsible for the coordination of Covid-19 in the future.

Covid-19 awareness: The division continued to create awareness around Covid-19 prevention. Key-ring hand sanitisers were procured and distributed across the district. 10 000 cloth face masks were procured and distributed to communities to encourage the wearing of masks.

Partnership for risk and resilience: The memorandum of understanding between the District and Santam remains in place as part of the Partnership for Risk and Resilience (P4RR). The objective of the partnership is to reduce risk and build capacity in municipalities and local communities. The agreement signed on 28 June 2019 has entered its third and final year and it terminates at the end of 2022. During the third year of the partnership, SANTAM assisted the Cape Winelands with the following:

- 1 500 smoke alarms were provided.
- Fire equipment was provided to the Fire Services of the five local municipalities.



- Geographical Information System (GIS) training was held for Disaster Management officials and interns at the district and local municipalities.
- Water safety training was conducted by the NSRI in schools.
- The Disaster Ready Communications strategy and toolkit was rolled out to the local municipalities.
- A mascot was developed for Disaster Management.
- IT equipment was procured for Disaster Management training and awareness programmes.
- Relief items such as food parcels, blankets and mattresses were issued to local municipalities.
- Items such as gazebos, banners and an awareness trailer were procured to support Disaster Management awareness.
- Simulation exercises were sponsored.

International Day for Disaster Risk Reduction (IDDRR) Webinar: In celebration of International Day for Disaster Risk Reduction, an integrated multi-role player simulation exercise was held. This exercise was sponsored by Santam through the P4RR. The scenario for this simulation was a re-enactment of a collision between an oil tanker and a small truck containing a few passengers and took place just before the weighbridge outside Rawsonville on the old N1.

Community Safety: The Disaster Management Division has been given the task of rolling out the Community Safety project in the district. A Community Safety Officer has been appointed to coordinate this project. The Cape Winelands District Municipality supported the local municipalities through the transfer of funding for Community Safety projects in their areas. The Safety Plan for the district was reviewed at a stakeholder engagement held in collaboration with the Department of Community Safety. This plan was officially signed by the Minister of Police Oversight and Community Safety and the Executive Mayor.

DIVISION: FIRE SERVICES

LEGISLATIVE MANDATE

The Fire Brigade Services Act, 1987 (Act No. 99 of 1987) is the primary piece of legislation regulating fire services and provides for the establishment, maintenance, employment, coordination and standardisation of fire brigade services. The Cape Winelands District Municipality has established and endeavours to maintain a service in accordance with the prescribed requirements. It employs its service for:

- preventing the outbreak or spread of a fire;
- fighting or extinguishing a fire;
- the protection of life or property against a fire or other threatening danger;
- the rescue of life or property from a fire or other danger;
- the performance of any other function connected with any of the matters referred to above.

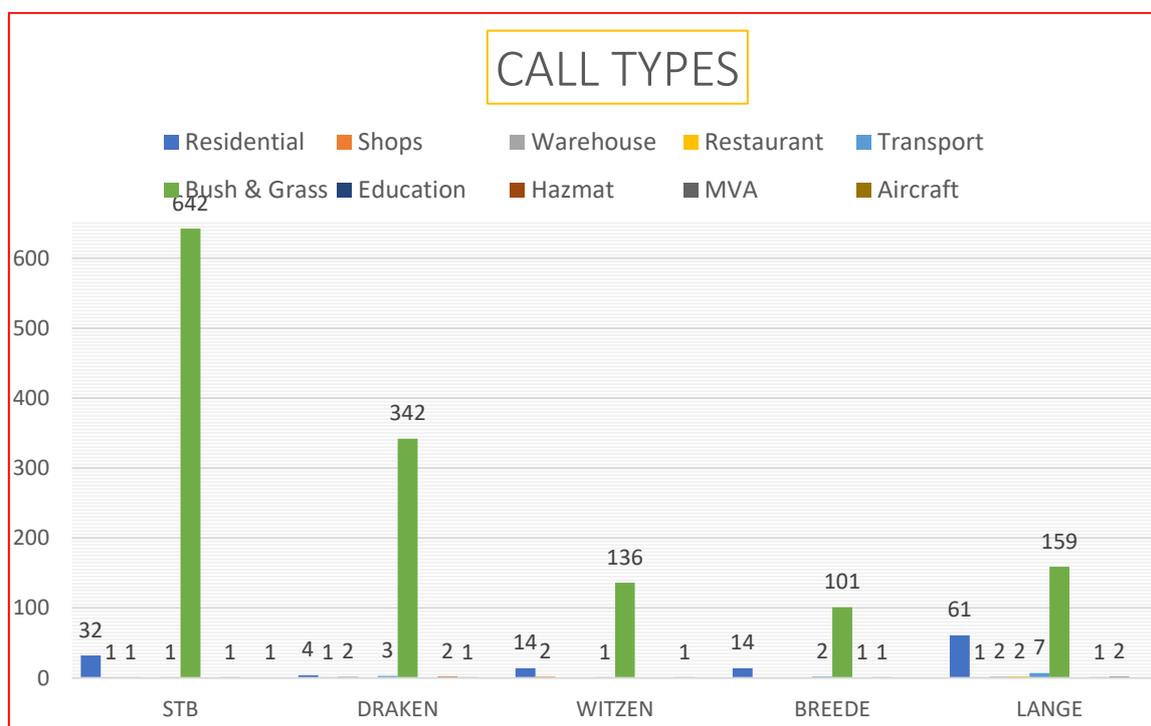
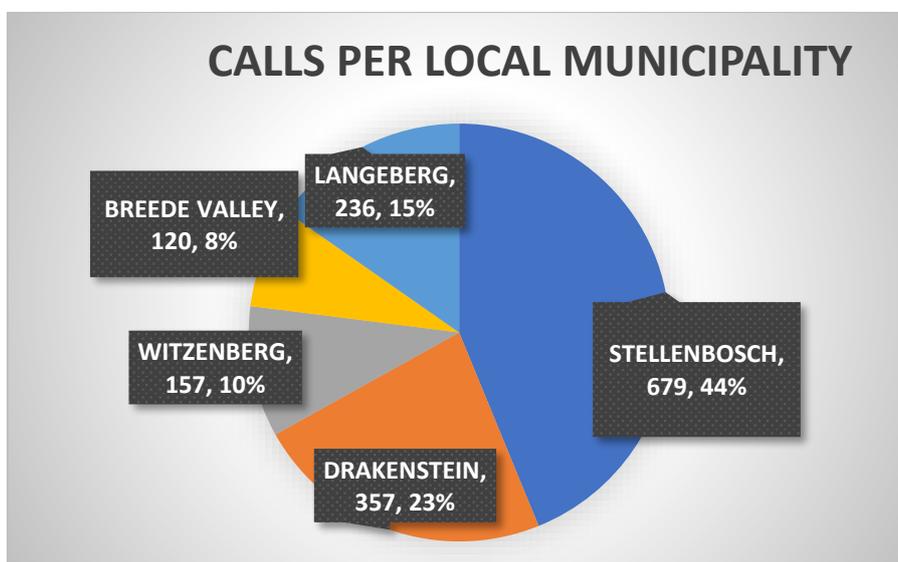
The Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) further mandates the CWDM to provide firefighting services serving the area of the district municipality as a whole, which includes:

- planning, coordination and regulation of fire services;
- specialised firefighting services such as mountain, veld and chemical fire services;
- co-ordination of the standardisation of infrastructure, vehicles, equipment and procedures;
- training of fire officers.



EMERGENCY INCIDENTS

The Fire Services attended to a total of 1 549 calls from 1 July 2021 to the period ending June 2022. The pie chart below indicates our response within each local municipal area.



CAPE WINELANDS FIRE & RESCUE TRAINING ACADEMY

The Academy was under severe pressure during the past year, mainly due to the shortage of training personnel and the negative impact of the Covid-19 pandemic. Despite the challenges, the academy still managed to train 22 Fire Officers, which includes our own and those from our partners and neighbouring municipalities.



INTER-AGENCY INVOLVEMENT

Cape Winelands District Veld Fire Workgroup

The Fire Services of the CWDM, Cape Nature and Winelands Fire Protection Association entered into a memorandum of agreement to cooperate in the optimisation of their organisations and resources for systematically and expeditiously managing veld fires within the Cape Winelands District municipal area.

It must be noted that this partnership is working well and resulted in fires being secured in their initial stages or the spread and impact of the fires being drastically reduced.

Local Municipal Fire Services

The CWDM has mutual aid agreements with all the local municipalities in the district. They assisted our Fire Services at major fires, and when we experienced a high number of fires and our resources were stretched to the limit.

Fire Protection Association

The Winelands Fire Protection Association is functioning very well, and this organisation is maturing, as envisaged by the National Veld and Forest Fire Act. It is also the intention to ensure that there is a coordinated and standardised approach to the management of fire risk within the district, such as the specifications and siting of firebreaks, equipment and training of members, etc. The CWDM has made 8,5 hectares of strategic firebreaks throughout the district.

VELD FIRE SEASON

The fire season has not been the most challenging fire season ever endured but it was still a busy season. The Fire Services responded and attended to 1 249 fires reported from 1 November 2021 to 30 April 2022.

Although the numbers are not extraordinary on their own and consistent with previous years, the biggest problem has been the number of simultaneous fires occurring, which resulted in the resources of various agencies being stretched beyond the limits. Apart from the number of simultaneous fires, the extreme weather conditions over extended periods, such as high temperatures and strong winds, also contributed to making suppression operations very difficult.

Regular feedback was provided to our Executive Mayor and Portfolio Councillor, Senior Management and the media through our Communication Division regarding major incidents within our area of jurisdiction.

Major incidents are classified according to the magnitude of the fires and the extensive resources that are required to bring the situation under control, i.e. manpower, helicopters and ground teams. The majority of the other fires were brought under control and extinguished either within hours or limited to a few days. This is due to the agreed veld fire season response plan of large-scale rapid attack with various resources to the identified high-risk areas. The high number of fires could only be attended to in many instances with the assistance of our local municipalities, Cape Nature, members of the Winelands Fire Protection Association, contracted ground veld firefighting crews and aerial firefighting support.

The total cost to the CWDM for the use of aerial support and ground veld fire crews for the season amounts to approximately R12 831 515. The Western Cape Government also assisted the municipality by providing aerial support as initial attack on a number of occasions.

ANNUAL REPORT



The incident commanders and fire crews did extremely well to manage the incidents and avoid catastrophic fires. No serious damage to property was reported and other damages include vineyards, orchards, water pipes, water tanks, fences, etc. The firefighters and pilots displayed tremendous dedication, commitment and skill during the past season. Were it not for their exceptional work, the Cape Winelands would have experienced far greater damage and losses of property and risks to lives.

COMPONENT I: FINANCIAL AND STRATEGIC SUPPORT SERVICES

EXECUTIVE AND COUNCIL

This component consists of the executive office (Executive Mayor, Councillors and Municipal Manager).

Introduction to Executive and Council

Vision

A unified Cape Winelands of excellence for sustainable development

Mission

All structures of the Cape Winelands cooperate together towards effective, efficient and economically sustainable development.

Core values

The core values of the CWDM are largely shaped by the moral fibre of the administrative and political leadership of the district municipality, guided by the Batho Pele service delivery principles and the strategic compass provided by the Western Cape Government (WCG) through its Strategic Plan, which reflects the core values of the WCG.

The following core values reflect the character and organisational culture of the CWDM:

- Commitment to the development of people;
- Integrity in the performance of our duty;
- Respect for our natural resources;
- Transparency in accounting for our actions;
- Regular consultation with customers on the level and quality of services;
- Higher levels of courtesy and professionalism in the workplace;
- Efficient spending and responsible utilisation of municipal assets; and
- Celebrating diversity.

PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICES

Introduction: Legal Services

The CWDM makes many decisions that affect the residents in its area of jurisdiction. In order to ensure that everything is above board and falls within the ambit of the law, Legal Services provide a dedicated and quality support and advisory service in order to strengthen the CWDM to fulfil its constitutional and other legislative mandates in a professional manner and to maintain a workforce that is both well-disciplined and satisfied in order to render service delivery at an acceptable level.

Legal priorities

- Legal compliance;
- Legal support to the Executive Mayor, Speaker and Municipal Manager, Heads of Department, Council, committees, departments and divisions;
- Legal advice pertaining to draft policies and contracts;



- Written and/or oral opinions;
- Finalisation of legal documents; and
- Labour relations matters.

Legal impact

Through the provision of legal support and advice to the Office of the Executive Mayor, the Speaker, the Municipal Manager, Heads of Department, Council as well as all the various departments/divisions of the CWDM, many targets have been achieved, thereby strengthening the work relationship and effective teamwork between the various parties. Legal implications and opinions are provided on a continuous basis on all Council, Mayoral Committee and other committee agenda items.

Introduction: Property Management

Property management is the process of managing the property of the CWDM by maintaining and handling activities incidental to the property in order to maximise the use of all the properties as contained in the property register and to provide optimal financial, social, economic and operational benefits to the CWDM.

The MSA specifically highlights the duty of municipalities to provide services in a manner that is sustainable. The MFMA requires municipalities to utilise and maintain their assets in an effective, efficient, economical and transparent manner.

The MFMA specifically places responsibility for the management of municipal immovable property with the Municipal Manager. Furthermore, the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993) requires municipalities to provide and maintain a safe and healthy working environment, and in particular to keep its immovable property safe.

Property Management priorities

The Municipal Manager is also the principal custodian of the district municipality's immovable assets, including the safeguarding and the maintenance of those assets. The Municipal Manager ensures that the district municipality maintains a management, accounting and information system that accounts for the immovable assets of the CWDM and ensures that property management is applied in a consistent manner and in accordance with legal requirements and recognised good practice. The district municipality's immovable property is valued in accordance with the standard of generally recognised accounting practice (GRAP). Furthermore, the district municipality has and maintains a system of internal control for the immovable assets, including an asset register.

The Chief Financial Officer is responsible to ensure, in exercising her financial responsibilities, that:

- appropriate systems of financial management and internal control are established and carried out diligently;
- the financial and other resources of the district municipality are utilised effectively, efficiently, economically and transparently;
- any unauthorised, irregular, fruitless or wasteful expenditure and losses resulting from criminal or negligent conduct are prevented;
- all revenue due to the district municipality is collected, for example rental income, relating to immovable assets;



- the systems, procedures and registers required to validate the financial values of the district municipality's immovable assets are maintained to standards sufficient to satisfy the requirements of the Auditor-General;
- financial processes are established and maintained in order to ensure the district municipality's financial resources are effectively utilised through appropriate asset plans, budgeting, purchasing, maintenance and disposal decisions; and
- the Municipal Manager is appropriately advised on the exercise of powers and duties relating to the financial administration of immovable assets.

Property Management impact

The CWDM exhibits good governance and customer care through an efficient and sustainable process of property management. Councillors and officials are custodians on behalf of the public of immovable municipal assets. Key themes pertaining to municipal property management include:

- long-term sustainability and risk management;
- efficient service delivery and improvement;
- performance monitoring and accountability;
- community interaction and transparent processes;
- priority development of minimum basic services for all; and
- the delivery of support in addressing the needs of the poor.

A municipality has the right to do anything reasonably necessary for, or incidental to, the effective performance of its functions and the exercise of its powers in terms of section 156(5) of the Constitution of the Republic of South Africa, 1996 and section 8(2) of the MSA. Furthermore, a municipal council, within the municipality's financial and administrative capacity, and having regard to practical considerations, has the duty to use the resources of the municipality in the best interests of the local community in terms of section 4(2)(a) of the MSA.

Property management at the CWDM incorporates best practice methodologies and is aligned to the latest national and provincial legislation such as the MFMA and the Municipal Asset Transfer Regulations, 2008 as published in the Government Gazette No. 31346 of 22 August 2008, which applies to the transfer and disposal of certain immovable property owned by municipalities and the granting by municipalities of rights to use, control or manage certain immovable property.

Comprehensive property management maximises the district municipality's property assets by procuring strategically, managing and maintaining assets throughout their useful lifecycle and providing asset visibility through data capturing during the use and disposition phases.

Comment on the performance of Property Services overall

No capital projects.



CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

INTRODUCTION

In terms of section 38 of the MSA, a municipality must establish a Performance Management System that promotes a culture of performance among office-bearers and its administration and oversee its affairs in an economical, effective, efficient and accountable manner. Regulation 7 of the Local Government: Municipal Planning and Performance Management Regulations further sets out the components of a performance management system.

Selected statutory guidelines and regulatory frameworks related to local government institutions regulate performance management within the government framework. The following legislation and policies reinforce, impact and inform the CWDM Performance Management Policy Framework.

- (a) Constitution of the Republic of South Africa, 1996;
- (b) Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (Chapters 5 & 6);
- (c) Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);
- (d) Framework for Managing Programme Performance Information, 2007;
- (e) Municipal Planning and Performance Management Regulations (No. 796, Aug 2001);
- (f) White Paper on Transforming Public Service Delivery (Batho Pele), 1997;
- (g) The White Paper on Local Government, 1998.

Organisational development within the CWDM continuously focuses on the increase of the district municipality's effectiveness and efficiency in order to develop the CWDM to its full potential and seeks to increase effectiveness in terms of the strategic objectives as defined in the IDP within an approved budget.

Furthermore, the objective of organisational development is to improve the district municipality's capacity to handle its internal and external functioning and relationships, inclusive of effective communication, enhanced ability to cope with organisational challenges, effective decision-making processes, appropriate leadership styles, improved skills and higher levels of trust and cooperation among employees.

Performance management indicates how well a municipality is meeting its aims and objectives, and which policies and processes are working. Therefore, it is a dynamic process of a municipality. It is imperative that performance management principles are integrated into the organisational processes and aligned within the district municipality's IDP. Performance management is key to effective management that includes planning, budgeting, implementing, monitoring and reporting and that aligns with departmental and employee performance in order to ensure improved community services and improved quality of life for all living within the Cape Winelands district borders. To achieve the aforementioned, the measurements of individual performances within the municipality are important. Organisational KPIs are continuously developed, updated and aligned to organisational objectives.

In terms of section 41 of the MSA, the core components of a Performance Management System are to:

- (a) Set key performance indicators (KPIs),
- (b) Set measurable performance targets (PTs),
- (c) Monitor, measure and review performance annually,
- (d) Take steps to improve performance, and
- (e) Establish a process of regular reporting.



The CWDM always attempts to ensure that these KPIs are specific, measurable, achievable and realistic and linked to a specific timeframe (SMART). A complete institutional performance management system must integrate a comprehensive employee performance management system. The Individual Performance Management Policy has been designed to assist with performance management of employees appointed in terms of section 55(1) (e) of the MSA, within the Cape Winelands District Municipality.

During the 2016/2017 year, the CWDM established an Individual Performance Management Steering Committee to guide the implementation of individual performance management within the organisation via an approved Individual Performance Management (IPM) Policy (adopted by Council in June 2016).

The implementation of the CWDM IPM Policy is informed and guided by the CWDM Performance Management Improvement Framework (CWDM PMIF) and the related Individual Performance Management (IPM) Project Plan.

Flowing from the above, the following processes were implemented during the 2016/2017 financial year, with an amendment to the latter in September 2017:

- (a) Individual Performance Management rollout – commencing with employees reporting directly to the Municipal Manager and Heads of Department, which include levels from T19 to T16;
- (b) The finalisation of a Peer Learning Agreement with Mossel Bay Municipality, highlighting bilateral cooperation, assistance and guidance between the two municipalities;
- (c) The expansion of the current performance management system (Collaborator) – to accommodate an individual performance management system;
- (d) A draft Communication Strategy for IPM – to ensure effective communication of all IPM-related matters and assist in addressing all underlying change management initiatives.

In terms of the original IPM Project Plan, the implementation of individual performance management is divided into the following stages:

Year 1 – Year 3: From 1 July 2016 to 30 June 2019

Include only managers reporting directly to the Municipal Manager and Section 56 Managers

Year 4: From 1 July 2019 to 30 June 2020

Cascading down to T13

Year 5 From 1 July 2020 to 30 June 2021

Cascading down from T12 – T6

Year 6 From 1 July 2021 to 30 June 2022

Cascading down from T5 – T3

In June 2020, the IPM Project Plan was further extended to allow for the following organisational and operational challenges. Thus, the extensions per the indicated years are as follows:

Year 4 (from 1 July 2019 to 30 June 2021) – Cascading down to T13

Year 5 (from 1 July 2021 to 30 June 2024) – Cascading down from T12 – T6

Year 6 (from 1 July 2024 to 30 June 2025) – Cascading down from T5 – T3



In addition to the aforementioned reasons, a number of challenges need to be resolved in order to implement individual performance management up to post level T13 and subsequently T12 – T6. This would include the mentioned electronic system challenges, as well as improving the alignment of the functions of organisational performance management with individual performance management.

In addition, the approved 4th generation IDP formed the foundation of new KPIs for the 2020/2021 and outer financial years. A number of new KPIs were therefore included in the Organisational, Municipal Manager and Section 56 Managers' scorecards.

The performance of the Municipal Manager and the Section 56 Managers will to some extent depend on the performance of staff reporting to them – therefore the need to implement and cascade individual performance management properly.

In addition to the above, the CWDM has also developed an electronic Employee Efficiency Monitoring (EEM) tool. The purpose of EEM is to manage and improve efficiency by enabling a higher level of staff participation and involvement in planning, delivering and evaluation of work performance. The EEM tool will be ultimately completed by all employees not evaluated on the formal performance management system. Currently we have 216 officials from T12 – T6 on the Collaborator system, of which 52 have submitted their KPIs and are successfully uploaded on the system and 164 are still outstanding, which is still in line with the projected plan Year 5.

On 20 September 2021, the Municipal Staff Regulations (MSR) were promulgated in Government Gazette 890 (GN 890). This, together with its implementation guideline (GN 891), came with an implementation date of 1 July 2022. In terms of the MSR, every municipality must adopt a performance management and development system that complies with these regulations.

According to the MSR, the performance management and development system applies to all staff members of the municipality and must be integrated with other human resource policies and practices, as well as any other organisational development initiatives of the municipality.

The introduction of the MSR necessitated the CWDM to immediately halt all performance-related practices and compelled the municipality back to the drawing board as all relevant strategies, policies and procedures had to be reanalysed in order to ensure compliance with the MSR by 1 July 2022.

Chapter 4 – Performance Management and Development System, coupled with the relevant Guidelines, ensures the implementation of a comprehensive performance management and development system throughout the entire municipality, covering all levels and aspects (policies, procedures and strategies). Furthermore, the MSR ensures full integration of performance management with all other HR-related functions including the staff establishment, recruitment and selection and skills development.

In February 2022, the Human Resources Department presented the Readiness Review Project Plan to top management and thus embarked on a strenuous process in order to ensure performance management compliance within the stated implementation timeframe.

The Individual Performance Management Policy was amended and fully consulted with all stakeholders and on 26 May 2022, Council adopted the amended IPM Policy. In addition, the CWDM embarked on procuring a comprehensive electronic IPM in order to ensure effective process flows and to create an enabling environment to plan, monitor and measure performance against set targets and outputs. The latter is expected to be operational by the end of the second quarter of the 2022/2023 financial year.

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On 19 July 2022, Circular No. 12 of 2022 was issued by COGTA, stating that the implementation date of Chapter 4: Performance Management and Development System is extended to 1 July 2023. This should provide adequate operational time for the full implementation of Chapter 4.

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, VACANCIES AND TERMINATIONS

EMPLOYEE TOTALS

| EMPLOYEES | | | | | |
|------------------------------------|-----------------------------|--------------------------------|------------------------|------------------------|----------------|
| Description | YEAR -1: 30 JUNE 2021 | YEAR 0: 30 JUNE 2022 | | | |
| | Number of employees | Number of approved posts | Number of employees | Number of vacancies | Vacancies % |
| Water | 0 | 0 | 0 | 0 | 0% |
| Wastewater (Sanitation) | 0 | 0 | 0 | 0 | 0% |
| Electricity | 0 | 0 | 0 | 0 | 0% |
| Waste Management | 0 | 1 | 0 | 1 | 0% |
| Housing | 0 | 0 | 0 | 0 | 0% |
| Wastewater (Stormwater Drainage) | 0 | 0 | 0 | 0 | 0% |
| Roads | 154 | 210 | 168 | 42 | 20% |
| Transport | 1 | 3 | 1 | 2 | 66.6% |
| Planning | 1 | 1 | 1 | 0 | 0% |
| Local Economic Development | 4 | 4 | 4 | 0 | 0% |
| Community and Social Services | 13 | 15 | 13 | 2 | 13.33% |
| Environmental Protection | 0 | 0 | 0 | 0 | 0% |
| Health | 49 | 52 | 46 | 6 | 11.53% |
| Public Safety | 58 | 77 | 60 | 17 | 22.07% |
| Sport and Recreation | 0 | 0 | 0 | 0 | 0% |
| Corporate Policy Offices and other | 133 | 128 | 109 | 19 | 14.8% |
| TOTALS | 413 | 491 | 402 | 89 | 18.12% |

EMPLOYEES: THE EXECUTIVE AND COUNCIL

| JOB LEVEL | YEAR -1: 30 JUNE 2021 | YEAR 0: 30 JUNE 2022 | | | |
|---------------------------|--------------------------|----------------------|------------------------|--|--|
| | Number of employees | Number of posts | Number of employees | Number of vacancies (full-time equivalents) | Vacancies (as a % of total posts) |
| T1 – T3 | 0 | 0 | 0 | 0 | 0% |
| T4 – T8 | 6 | 6 | 6 | 0 | 0% |
| T9 – T13 | 3 | 3 | 1 | 2 | 66.66% |
| T14 – T17 | 1 | 1 | 1 | 0 | 0% |
| T18 – T19 | 0 | 0 | 0 | 0 | 0% |
| MM & Section 56 employees | 4 | 4 | 4 | 0 | 0% |
| Councillors | 41 | 41 | 41 | 0 | 0% |
| TOTAL | 55 | 55 | 53 | 2 | 3.63% |

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| EMPLOYEES: FINANCIAL SERVICES | | | | | |
|-------------------------------|--------------------------|----------------------|---------------------|---|-----------------------------------|
| JOB LEVEL | YEAR -1: 30 JUNE 2021 | YEAR 0: 30 JUNE 2022 | | | |
| | Number of employees | Number of posts | Number of employees | Number of vacancies (full-time equivalents) | Vacancies (as a % of total posts) |
| T1 – T3 | 0 | 0 | 0 | 0 | 0% |
| T4 – T8 | 11 | 7 | 6 | 1 | 14.28% |
| T9 – T13 | 13 | 20 | 16 | 4 | 20% |
| T14 – T17 | 5 | 8 | 6 | 2 | 25% |
| T18 – T19 | 1 | 1 | 1 | 0 | 0% |
| TOTAL | 30 | 36 | 29 | 7 | 19.44% |
| | | | | | T3.25.6 |

| EMPLOYEES: HUMAN RESOURCE SERVICES | | | | | |
|------------------------------------|--------------------------|----------------------|---------------------|---|-----------------------------------|
| JOB LEVEL | YEAR -1: 30 JUNE 2021 | YEAR 0: 30 JUNE 2022 | | | |
| | Number of employees | Number of posts | Number of employees | Number of vacancies (full-time equivalents) | Vacancies (as a % of total posts) |
| T1 – T3 | 0 | 0 | 0 | 0 | 0% |
| T4 – T8 | 0 | 0 | 0 | 0 | 0% |
| T9 – T13 | 5 | 5 | 5 | 0 | 0% |
| T14 – T17 | 1 | 1 | 1 | 0 | 0% |
| T18 – T19 | 1 | 1 | 1 | 0 | 0% |
| TOTAL | 7 | 7 | 7 | 0 | 0% |

| EMPLOYEES: ROAD SERVICES | | | | | |
|--------------------------|--------------------------|----------------------|---------------------|---|-----------------------------------|
| JOB LEVEL | YEAR -1: 30 JUNE 2021 | YEAR 0: 30 JUNE 2022 | | | |
| | Number of employees | Number of posts | Number of employees | Number of vacancies (full-time equivalents) | Vacancies (as a % of total posts) |
| T1 – T3 | 56 | 57 | 52 | 5 | 8.77% |
| T4 – T8 | 85 | 121 | 92 | 29 | 23.96% |
| T9 – T13 | 8 | 26 | 19 | 7 | 26.92% |
| T14 – T17 | 4 | 4 | 4 | 0 | 0% |
| T18 – T19 | 1 | 2 | 1 | 1 | 50% |
| TOTAL | 154 | 210 | 168 | 42 | 20% |

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| EMPLOYEES: ICT SERVICES | | | | | |
|-------------------------|--------------------------|----------------------|-----------|---|---|
| JOB LEVEL | YEAR -1: 30 JUNE 2021 | YEAR 0: 30 JUNE 2022 | | | |
| | Employees | Posts | Employees | Vacancies (full-time equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| T1 – T3 | 0 | 0 | 0 | 0 | 0% |
| T4 – T8 | 1 | 1 | 1 | 0 | 0% |
| T9 – T13 | 4 | 4 | 3 | 1 | 25% |
| T14 – T17 | 1 | 1 | 1 | 0 | 0% |
| T18 – T19 | 0 | 0 | 0 | 0 | 0% |
| TOTAL | 6 | 6 | 5 | 1 | 16.66% |

| EMPLOYEES: PLANNING SERVICES | | | | | |
|------------------------------|-----------------------------|----------------------|------------------------|--|---|
| JOB LEVEL | YEAR -1: 30 JUNE 2021 | YEAR 0: 30 JUNE 2022 | | | |
| | Number of employees | Number of posts | Number of employees | Number of vacancies (full-time equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| T1 – T3 | 0 | 0 | 0 | 0 | 0% |
| T4 – T8 | 0 | 0 | 0 | 0 | 0% |
| T9 – T13 | 0 | 0 | 0 | 0 | 0% |
| T14 – T17 | 1 | 1 | 1 | 0 | 0% |
| T18 – T19 | 0 | 0 | 0 | 0 | 0% |
| TOTAL | 1 | 1 | 1 | 0 | 0% |

| EMPLOYEES: LOCAL ECONOMIC DEVELOPMENT SERVICES | | | | | |
|--|--------------------------|----------------------|-----------|---|---|
| JOB LEVEL | YEAR -1: 30 JUNE 2021 | YEAR 0: 30 JUNE 2022 | | | |
| | Employees | Posts | Employees | Vacancies (full-time equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| T1 – T3 | 0 | 0 | 0 | 0 | 0% |
| T4 – T8 | 1 | 1 | 1 | 0 | 0% |
| T9 – T13 | 2 | 2 | 2 | 0 | 0% |
| T14 – T17 | 1 | 1 | 1 | 0 | 0% |
| T18 – T19 | 0 | 0 | 0 | 0 | 0% |
| TOTAL | 4 | 4 | 4 | 0 | 0% |

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| EMPLOYEES: HEALTH INSPECTION, ETC. | | | | | |
|---|----------------------------------|-----------------------------|------------------|--|--|
| JOB LEVEL | YEAR -1: 30 JUNE 2021 | YEAR 0: 30 JUNE 2022 | | | |
| | Employees | Posts | Employees | Vacancies (full-time equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| T1 – T3 | 0 | 0 | 0 | 0 | 0% |
| T4 – T8 | 0 | 0 | 0 | 0 | 0% |
| T9 – T13 | 42 | 44 | 38 | 6 | 13.63% |
| T14 – T17 | 7 | 8 | 8 | 0 | 0% |
| T18 – T19 | 0 | 0 | 0 | 0 | 0% |
| TOTAL | 49 | 52 | 46 | 6 | 11.53% |

| EMPLOYEES: DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC. | | | | | |
|--|----------------------------------|-----------------------------|------------------|--|--|
| JOB LEVEL | YEAR -1: 30 JUNE 2021 | YEAR 0: 30 JUNE 2022 | | | |
| | Employees | Posts | Employees | Vacancies (full-time equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| T1 – T3 | 0 | 0 | 0 | 0 | 0% |
| T4 – T8 | 0 | 0 | 0 | 0 | 0% |
| T9 – T13 | 3 | 4 | 4 | 0 | 0% |
| T14 – T17 | 1 | 1 | 1 | 0 | 0% |
| T18 – T19 | 0 | 0 | 0 | 0 | 0% |
| TOTAL | 4 | 5 | 5 | 0 | 0% |

| EMPLOYEES: FIRE SERVICES | | | | | |
|---------------------------------|--------------------------------------|-----------------------------|------------------|--|--|
| JOB LEVEL | YEAR -1: 30 JUNE 2021 | YEAR 0: 30 JUNE 2022 | | | |
| | Employees | Posts | Employees | Vacancies (full-time equivalents) | Vacancies (as a % of total posts) |
| | No. | No. | No. | No. | % |
| Chief Fire Officer and Deputy | 1 | 2 | 1 | 1 | 50% |
| Other Fire Officers | 0 | 0 | 0 | 0 | 0% |
| T1 – T3 | 0 | 0 | 0 | 0 | 0% |
| T4 – T8 | 16 | 19 | 18 | 1 | 0% |
| T9 – T13 | 40 | 55 | 40 | 15 | 0% |
| T14 – T17 | 1 | 1 | 1 | 0 | 0% |
| T18 – T19 | 0 | 0 | 0 | 0 | 0% |
| TOTAL | 58 | 77 | 60 | 17 | 22.07% |

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| EMPLOYEES: PROPERTY, LEGAL, IDP, PERFORMANCE & RISK MANAGEMENT AND PROCUREMENT SERVICES | | | | | |
|--|----------------------------------|-----------------------------|----------------------------|--|--|
| JOB LEVEL | YEAR -1: 30 JUNE 2021 | YEAR 0: 30 JUNE 2022 | | | |
| | Number of employees | Number of posts | Number of employees | Number of vacancies (full-time equivalents) | Vacancies as a % of total posts |
| T1 – T3 | 12 | 0 | 0 | 0 | 0% |
| T4 – T8 | 12 | 4 | 3 | 1 | 25% |
| T9 – T13 | 12 | 16 | 11 | 5 | 31.25% |
| T14 – T17 | 5 | 9 | 6 | 3 | 33.33% |
| T18 – T19 | 1 | 1 | 1 | 0 | 0% |
| TOTAL | 42 | 30 | 21 | 9 | 30% |

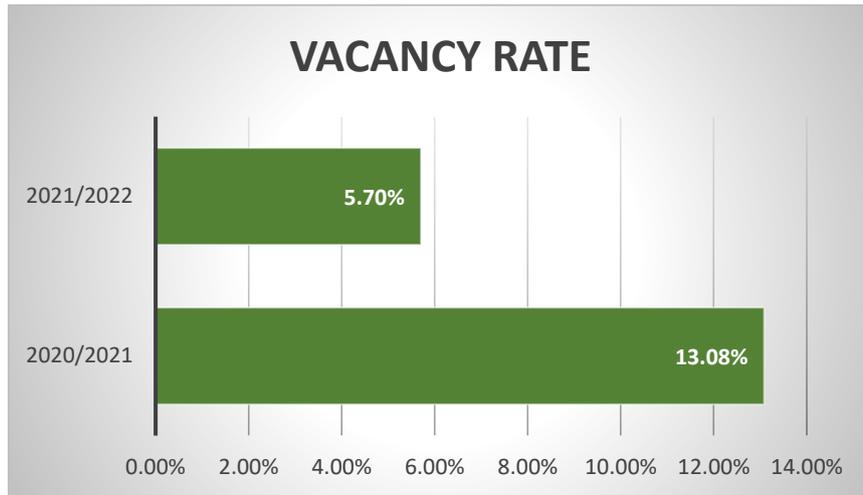
VACANCIES

| VACANCY RATE: 2021/2022 | | | |
|---|-----------------------------|--|--|
| Designation | Total approved posts | Vacancies (Total time that vacancies exist using full-time equivalents) | Vacancies (as a proportion of total posts in each category) |
| | No. | No. | % |
| Municipal Manager | 1 | 0 | 0% |
| Chief Financial Officer | 1 | 0 | 0% |
| Other S56 Managers (excluding finance posts) | 2 | 0 | 0% |
| Other S56 Managers (finance posts) | 0 | 0 | 0% |
| Police Officers | 0 | 0 | 0% |
| Firefighters | 73 | 17 | 23.28% |
| Senior Management levels T18 – T19 (excluding finance posts) | 4 | 0 | 0% |
| Senior Management levels T18 – T19 (finance posts) | 1 | 0 | 0% |
| Professionally qualified levels T14 – T17 (excluding finance posts) | 34 | 3 | 8.8% |
| Professionally qualified levels T14 – T17 (finance posts) | 8 | 2 | 25% |

COMMENT ON VACANCIES AND TURNOVER

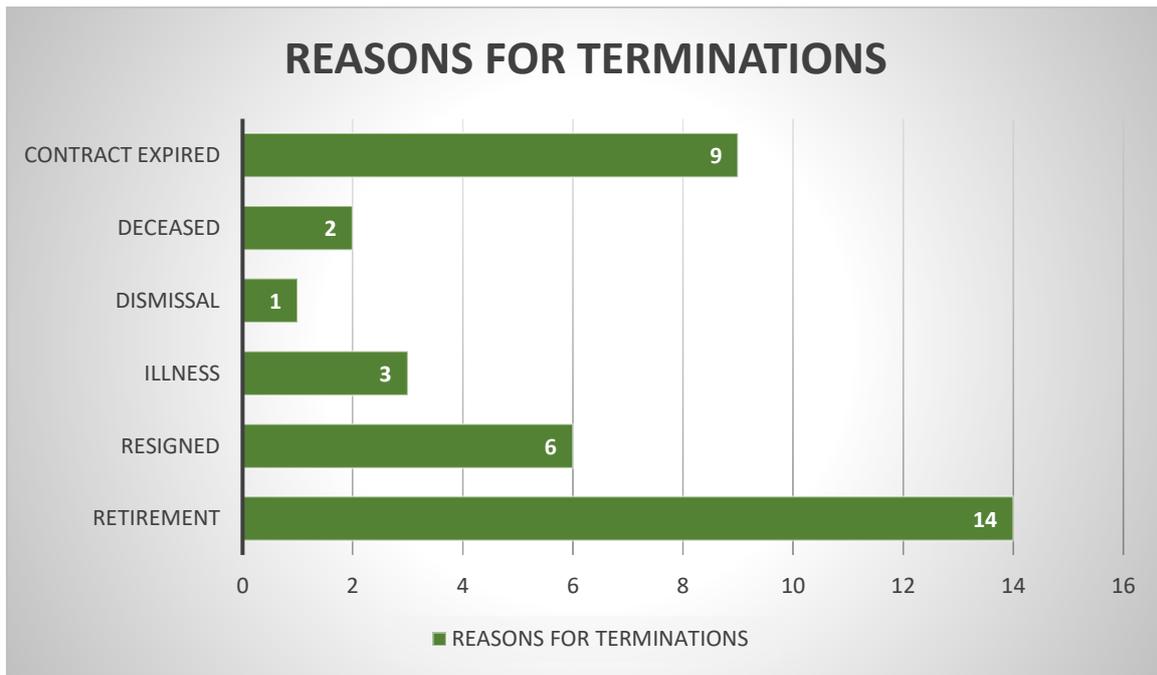
The post of Municipal Manager and all Section 56 posts were filled during the 2021/2022 financial year.

On 30 June 2022, the approved staff establishment of the CWDM consisted of a total of four hundred and ninety-one (491) posts of which four hundred and two (402) were filled and eighty-nine (89) were vacant. Of the total of eighty-nine (89) vacancies, only twenty-eight (28) were budgeted during the 2021/2022 financial year, resulting in a vacancy rate of 5.7%. The vacancy rate over the past two financial years calculated on budgeted vacancies is best reflected as follows:



TERMINATIONS

A total of thirty-five (35) employees terminated services at the CWDM during this period for the following reasons:



| TURNOVER RATE | | | |
|---------------|---|---|-------|
| Details | Total number of employees as at beginning of financial year | Total number of terminations for the financial year | No. |
| 2020/2021 | 420 | 27 | 6,42% |
| 2021/2022 | 414 | 35 | 8.45% |

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The 2021/2022 training year was marked by the impact of the Covid-19 pandemic, and most training programmes were postponed from the previous years. Operationally, the three lockdown periods severely hampered capacity building within the municipality. Learners on lower levels were suddenly required to move from classroom-led instruction to virtual and online training. The latter came with its own challenges, as most learners were used to classroom-led instruction. Internet connectivity within the rural towns was very also unstable. This, coupled with the fact that the municipality had to avail limited mobile devices (for online instruction) also contributed to the internal challenges.

The Covid-19 pandemic also had a huge psychological and physiological impact on learners. Training programme attendances were negatively impacted due to illness, and demoralised and demotivated learners where some of the psychological consequences were experienced.

Administratively, the postponements led to contractual challenges, and in terms of Supply Chain Management many of the advertised training programmes received non-responsive bidders, as most private and public training providers were in lockdown. Externally, the Covid-19 pandemic led to various challenges that included, amongst others, the non-accreditation of online/virtual training programmes by SETAS and QCTOs and the non-availability of facilitators, assessors and moderators.

In our efforts to address some of the aforementioned challenges, the CWDM was forced to develop and implement unconventional strategies and processes, learning through trial-and-error. Internal corrective measures taken by the municipality included the amendment of existing training contracts from classroom-led instruction to a blended-mode instruction (combining the latter with online/virtual instruction), the implementation of Health and Safety Guidelines for training programmes, ensuring the availability of online resources (laptops and data devices), incorporating learner motivational soft skills into existing programmes and providing continuous learner support via our Employee Wellness Programme.

In 2021/2022, legislative compliance training programmes were prioritised as various regulations determine the training to be implemented within certain timeframes. The Municipal Minimum Competency Levels programme was one of these priorities, as non-compliance to these regulations can negatively affect the financial operations of the municipality. In conjunction with our Budget and Treasury Office, the municipality was able to appoint an accredited service provider to ensure the roll-out the Municipal Finance Management Programme within the determined timeframe, thus ensuring compliance.

Regulatory developments affecting machine operators as determined by the Driven Machinery Regulation 18(1) and the National Code of Practice for Training Providers to Lifting Machines steered the CWDM into the implementation of various interdependent technical training programmes. This focus will continue to ensure full compliance with the mentioned regulations and associated occupational health and safety legislative requirements.

In 2017/2018, the municipality highlighted the need for a strategic intervention within the Division: Roads. As a result of our aged staff component of qualified engineers and technicians within this department, the municipality identified a pool of potential candidates and embarked on two learnerships to address this skills shortage and to ensure a pool of qualified technicians and



engineers is available when needed. Thus, the National Certificate: Road Construction (NQF 4) and the National Diploma: Road Construction Supervisor (NQF 5) continued throughout the 2021/2022 year. Upon conclusion, these learners will become eligible for internal bursaries via our Study Aid Programme to complete their engineering degrees.

Professional development online training for Environmental Health Practitioners (EHPs) and Emergency Workers (Disaster Management and Firefighters) as required by the Health Professions Council of South Africa (HPCSA) continued, thus ensuring compliance and highly trained professional officials.

With the onset of the 4th Industrial Revolution, as accelerated by the Covid-19 pandemic, the need for ICT-related training became a priority. Thus, in 2021/2022 various relevant training programmes were identified for both the Divisions: ICT and Communications. This will ensure that the municipality keeps abreast with this dynamic and ever-changing industry.

In September 2021, the Municipal Staff Regulations and its guidelines were promulgated for implementation from 1 July 2022. These regulations specifically highlighted and prioritised skills development. This new legislative landscape will undoubtedly change all municipal capacity-building processes. The CWDM is on the forefront of this challenging landscape in our effort to transform and ensure internal compliance, as well as advising and coordinating our local municipalities within the district. In addition, the Municipal Staff Regulations have a strong developmental undertone and integrate skills development with other human resource developmental fields, such as the strategic establishment of functional staffing structure, ensuring the selection and appointment of skilled and competent officials and constantly monitoring and measuring individual staff members in their effort to achieve the municipality's business objectives.

The CWDM proactively kick-started efforts to ensure full compliance with these regulations and to date, the municipality has developed and amended most of its relevant policies to this effect. However, 'the proof is in the pudding' and thus the implementation phase (as from 1 July 2022) will yield various challenges for the CWDM to overcome.

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

In terms of section 67(1)(a) of the MSA, the CWDM, in accordance with the Employment Equity Act, 1998 (Act No. 55 of 1998) continuously develops and adopts appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration, including the recruitment, selection and appointment of persons as staff members.

In terms of section 20 of the Employment Equity Act, 1998 (Act No. 55 of 1998) the CWDM is a designated employer and must prepare and implement a plan to achieve employment equity, which must have objectives for each year of the plan, including affirmative action measures, have numerical goals for achieving equitable representation and have internal monitoring and evaluation procedures.

The CWDM approved a new Employment Equity plan during the 2020/2021 financial year and during the 2021/2022 financial year, the CWDM gave continuous effect to the implementation of the plan.

As per the requirements of the Employment Equity Act, 1998 (Act No. 55 of 1998), the CWDM submitted an employment equity report in the prescribed format to the Department of Employment



and Labour. Consultation with all relevant parties takes place monthly at the Local Labour Forum, where parties are offered an opportunity to continuously assess and monitor progress.

EMPLOYMENT EQUITY FORUM

Bi-quarterly meetings were held on 16 November 2021 and 3 June 2022 by the Employment Equity Forum where discussions were held on appointments, terminations and promotions in respect of a previous quarter, in comparison to the goals and targets set out in the approved CWDM Employment Equity Plan. The Employment Equity Committee monitors and reviews the progress of the implementation of the Employment Equity Plan and ensures that the employer complies with the requirements as set out in the plan. Challenges experienced during recruitment and selection processes are highlighted and the committee also jointly strives to find amicable solutions to address these challenges within the workplace.

EMPLOYEE WELLNESS

The Centre for Occupational and Wellness Services was appointed on 15 June 2020 and the service was rendered until 30 June 2022 to deliver a holistic wellness service to CWDM employees and their immediate family members. The main purpose of the wellness service delivery is to assist employees in managing the competing time demands and stress of today's world, including Covid-19 challenges. The programme is managed by a multidisciplinary, multilingual team of professionals, including psychologists, social workers, registered counsellors, dieticians, legal advisors, financial advisors, debt counsellors, physiotherapist, biokinetics, chiropractors, etc.

Problems are a part of life. Everyone is faced with problems from time to time. Normally, we would be able to handle it on our own without the assistance of external resources. In certain instances, as in the case of Covid-19, it makes more sense to reach out for help. The aforementioned is the reason that the CWDM provides a confidential Employee Wellness Programme to its employees and their immediate families, a benefit that provides resources and solutions for the personal and work-related problems encountered.

A **Covid-19 Support Service** was added to the list of benefits provided by the Centre for Occupational Health and Wellness Services (Health First), which includes:

- Psycho-social support for employees and their immediate family members
- Advisory for reasonable accommodation for employees with comorbidities
- Covid-19 information for employees and managers
- Covid-19 and work from home advisory services
- Covid-19 return to work advisory service
- EWP consultation during self-isolation and quarantine: Provide advisory to employees on self-isolation and quarantine and general health protocols to be observed by the employee
- Managerial support services, including consultation on Covid-19 cases, psycho-social support for managers with employees who are in isolation/quarantine
- Advisory on what managers and HR professionals can do to support employees
- Managing Covid-19 stress and anxiety
- Linking employees or their immediate family members to appropriate Covid-19 resources

To make the programme accessible for all employees, the support service can be reached through the following platforms: 24 hours a day, 7 days a week:



- (i) Toll-free line: **0800 014 985**
- (i) WhatsApp chat line number: **071 830 0000**
- (ii) Send a '**Please call me**' to **071 830 0000**
- (iii) Send email to: wellness@health1st.africa
- (iv) Request assistance online: <https://www.health1st.africa/request-assistance/>

The service is also available in the client's preferred language.

COVID-19 PANDEMIC

A Covid-19 Workplace Plan was compiled for the CWDM and approved on 18 May 2020, in accordance with alert level 4 regulations and directives, as mentioned above. The Covid-19 Workplace Plan for the CWDM was again amended on 30 June 2020 to align with alert level 3 regulations and directives and is adjusted from time to time in compliance with adjusted alert levels.

Mr Peter Rogers was appointed by the Municipal Manager as the Compliance Officer of the CWDM in accordance with the aforementioned regulations and directives. Compliance persons were also nominated and appointed by the Municipal Manager at the CWDM regional offices to strengthen the role and responsibilities of the Compliance Officer. A protocol for dealing with Covid-19 cases or suspect cases of the virus in the workplace, in accordance with the Department of Health's guidelines, was also distributed to all the employees of the CWDM. Additional cleaning service providers were appointed to ensure that commonly shared areas were cleaned on a regular basis.

The Division: Human Resources reported on a weekly basis to SALGA on Covid-19 positive cases, recoveries and deaths and on a monthly basis to the Local Labour Forum and to Council.

The Cabinet decided to lift the National State of Disaster, effective from midnight on Monday, 5 April 2022, but certain aspects of the regulations remained enacted in order to respond to the coronavirus pandemic. The President said that after 750 days, the requirement for a National State of Disaster to be declared could no longer be met and that the powers granted to the government under disaster legislation "should be maintained only as long as they are absolutely necessary". The President said that the end of the National State of Disaster is a firm statement of our determination to live our lives and rebuild our country even as this virus remains in our midst.

South Africa lifted the mandatory use of mask-wearing in indoor public spaces, removed restrictions on gatherings and eased vaccination proof or PCR negative tests at Ports of Entry for travellers on 23 June 2022. The mandatory wearing of masks came to an end after more than two years since the Covid-19 pandemic. The Covid virus is not yet gone, and all employees are urged, especially those not yet vaccinated, to come forward and those due for boosters, to also still do so.

The CWDM recorded a total of 102 Covid-19 positive cases, with 101 recoveries and one fatality during the pandemic period. The amount of quarantine leave that was taken from 26 March 2020 until 5 April 2022 was 831 days and it was utilised by 108 employees. The total number of employees for whom proof of vaccinations were received, are 162, of which 134 employees are fully vaccinated and 28 employees only received their first jab; thus 36.8% of CWDM employees have been vaccinated.

The health and safety of workers remain a priority for the CWDM. The Code of Practice on the Management of Exposure to Sars-Cov-2 in the Workplace remains the guiding principle on matters of health and safety in the workplace and it remains the responsibility of all leaders to design an



inclusive environment that promotes safety and makes workers comfortable in the workplace. The Code provides a guide to employers and workers as to what are reasonably practicable measures in managing SARS-CoV-2 (the Covid virus). Hazardous biological agents, of which the SARS-Cov-2 is one, are regulated by the Regulations for Hazardous Biological Agents.

Although the CWDM, as in the case of many organisations, has been hit hard by the Covid pandemic, employees have responded to the challenges with great resilience and adaptability. However, the pandemic has fundamentally altered where and how people work, upending many long-standing norms and practices. Management and employees have made many changes, often out of necessity, though they have regularly brought unexpected improvements in productivity or working conditions. Despite all the challenges of the pandemic, productivity has improved or remained constant at the CWDM – an inadvertent consequence of the pandemic for the CWDM who was obliged to find new ways of doing things. Productivity gains have been driven in part by the drive to find digital processes to replace analogue ones.

Another key change has been the skills needs of the CWDM. Digital, communication, innovation and teamwork skills have emerged as the top priorities at the CWDM. These skill types are highlighted as top needs for the CWDM in the future. The CWDM has also changed the ways that they train, share knowledge and collaborate to that of more digital training courses or blended modes of training and in some instances digital platform meetings still remained, resulting in huge cost and time saving.

LOCAL GOVERNMENT: MUNICIPAL STAFF REGULATIONS NO. 890 AND LOCAL GOVERNMENT: GUIDELINES FOR THE IMPLEMENTATION OF THE MUNICIPAL STAFF REGULATIONS NO. 891

A diagnostic report on the performance of municipalities conducted in 2014 revealed that some municipalities are still experiencing governance and institutional challenges in meeting their obligations, despite evidence of progress.

Some of the challenges include:

- (i) Induced municipalities to adopt disparate HR systems resulting in excessive disparities that impede mobility of staff in the sector;
- (ii) Bloating of municipal administration in non-core functions of municipalities;
- (iii) Incoherent HR practices resulting in the concentration of critical skills in affluent municipalities;
- (iv) High incidence of irregular and inappropriate appointments;
- (v) Poor skills development programmes negatively impacting the capacity of municipalities to fulfil their constitutional obligations;
- (vi) Ineffective performance management and lack of accountability;
- (vii) Poor planning, under-expenditure by municipalities on capital budgets and ineffective revenue collection strategies; and
- (viii) Incoherent disciplinary and grievance procedures.

In terms of Chapter 7 (Local Public Administration and Human Resources) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), the Minister for Cooperative Governance and Traditional Affairs promulgated regulations and issued guidelines setting uniform standards for municipal staff systems and procedures for all municipal staff and senior managers. These Regulations and Guidelines took effect from 1 July 2022.

All municipalities are required to develop human resources policies consistent with the regulations. The human resources policies had to be developed/reviewed and adopted by municipal councils before 1 July 2022.



The aforementioned is also supported by Chapter 13 of the National Development Plan in terms of the Building of a Capable and Developmental State, and clause 154(1) of the Constitution of the Republic of South Africa, 1996 that, inter alia, stipulate that national and provincial governments, by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions.

The Local Government: Municipal Staff Regulations No. 890 are organised in nine chapters:

- Chapter 1: Interpretation and application
- Chapter 2: Staff establishment, job description and job evaluation
- Chapter 3: Recruitment, selection and appointment of staff
- Chapter 4: Performance management and development system
- Chapter 5: Skills development
- Chapter 6: Dispute resolution
- Chapter 7: Disciplinary code and procedures
- Chapter 8: Remuneration related matters
- Chapter 9: General (transitional arrangements, repeal and short title)

The objectives of the regulations are to:

- (a) create a career local public administration that is fair, efficient, effective and transparent;
- (b) create a development-oriented local public administration governed by good human resource management and career development practices;
- (c) ensure an accountable local public administration that is responsive to the needs of local communities;
- (d) ensure that high standards of professional ethics are fostered within local government;
- (e) strengthen the capacity of municipalities to perform their functions through recruitment and appointment of suitably qualified and competent persons; and
- (f) establish a coherent HR governance regime that will ensure adequate checks and balances, including enforcement of compliance with the legislation.

The below-mentioned highlights all the action and progress that was made in respect of the implementation of the new Local Government: Municipal Staff Regulations No. 890 and Local Government: Guidelines for the implementation of the Municipal Staff Regulations No. 891 issued in Government Gazette No. 45181, dated 20 September 2021 in terms of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000):

(a) November 2021 and December 2021

- (i) Performed an analysis to identify all the gaps at the CWDM and compiled a readiness review;
- (ii) Applied for additional funds in the Adjustments Budget to ensure implementation.

(b) February 2022

- (i) Attended workshop by Ignite on Municipal Staffing Regulations & Guidelines for implementation;
- (ii) A meeting was held between the Municipal Regulations CWDM TASK Team (HR and IDP) and a dynamic roadmap for implementation of the regulations was drafted;
- (iii) Commenced with the drafting of specifications to procure a Performance Management and Development System to support the successful implementation of the regulations as they specifically indicate that a municipality must adopt a Performance Management and Development System that complies with the provisions of Chapter 4: Performance Management and Development System and certain scopes of work as stipulated in the other chapters.



(c) March 2022

- (i) Meeting with the Division: Communications to assist with awareness raising amongst staff;
- (ii) Local Government: Municipal Staffing Regulations and Guidelines for implementation and Readiness Review and Dynamic Roadmap tabled to Mayoral Committee;
- (iii) Local Government: Municipal Staffing Regulations and Guidelines for implementation and Readiness Review and Dynamic Roadmap tabled to Local Labour Forum.

(d) April 2022

- (i) Attended presentation by COGTA for all the municipalities in the Cape Winelands District on 4 and 5 April 2022;
- (ii) Local Government: Municipal Staffing Regulations and Guidelines for implementation presented to Executive Management;
- (iii) Communique to staff to create awareness amongst personnel;
- (iv) Local Government: Municipal Staffing Regulations and Guidelines for implementation presented to Extended Management;
- (v) Distribution of revised and new policies to Extended Management and Labour for inputs;

(e) May 2022

- (i) Revised and new policies tabled to Mayoral Committee and Local Labour Forum;
- (ii) Revised and new policies approved by Council.
- (iii) Local Government: Municipal Staffing Regulations and Guidelines for implementation presented to Labour (IMATU and SAMWU).

(f) June 2022

- (i) Embarked on roadshows to create awareness around Local Government: Municipal Staffing Regulations and Guidelines for implementation and presented the approved revised and new policies;
- (ii) Conducted a virtual presentation to create awareness around Local Government: Municipal Staffing Regulations and Guidelines for implementation and presented the approved revised and new policies.

At a meeting that was held on 7 June 2022, at item MC.8.2.2, the Mayoral Committee granted approval for the submission of an application for extension, as well as a phased approach by the Cape Winelands District Municipality to the Department of Cooperative Governance and Traditional Affairs for the full implementation of all the aspects of the new Local Government: Municipal Staff Regulations No. 890 and the Local Government: Guidelines for the Implementation of the Municipal Staff Regulations No. 891 issued in Government Gazette No. 45181, dated 20 September 2021. Subsequent to this, the Office of the Municipal Manager submitted an application for extension to the Department of Cooperative Governance and Traditional Affairs on 9 June 2022.

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WORKFORCE PROFILE: DEPARTMENTS - JUNE 2022

| | MALE | | | | FEMALE | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|-------------|--------------|
| | AFRICAN | COLOURED | INDIAN | WHITE | AFRICAN | COLOURED | INDIAN | WHITE |
| CWDM Targets | 20.5% | 23.9% | 1.1% | 10.3% | 15.9% | 19.3% | 0.4% | 8.6% |
| Office of the Municipal Manager: June 2022 | 0.0% | 16.7% | 0.0% | 0.0% | 33.3% | 33.3% | 0.0% | 16.7% |
| Office of the Municipal Manager: May 2022 | 0.0% | 16.7% | 0.0% | 0.0% | 33.3% | 33.3% | 0.0% | 16.7% |
| Financial & Strategic Support Services: June 2022 | 5.1% | 24.4% | 0.0% | 6.4% | 12.8% | 35.9% | 0.0% | 15.4% |
| Financial & Strategic Support Services: May 2022 | 5.1% | 24.4% | 0.0% | 6.4% | 12.8% | 35.9% | 0.0% | 15.4% |
| Community Development & Planning Services: June 2022 | 11.1% | 41.3% | 0.0% | 21.4% | 11.1% | 14.3% | 0.0% | 0.8% |
| Community Development & Planning Services: May 2022 | 11.1% | 40.5% | 0.0% | 22.2% | 11.1% | 14.3% | 0.0% | 0.8% |
| Technical Services: June 2022 | 33.7% | 36.5% | 0.6% | 6.7% | 10.1% | 10.7% | 0.0% | 1.7% |
| Technical Services: May 2022 | 33.7% | 36.5% | 0.6% | 6.7% | 10.1% | 10.7% | 0.0% | 1.7% |
| CWDM GLOBAL: JUNE 2022 | 19.5% | 34.9% | 0.25% | 11.0% | 11.5% | 18.0% | 0.0% | 5.0% |
| CWDM GLOBAL: MAY 2022 | 19.5% | 34.5% | 0.25% | 11.3% | 11.5% | 18.0% | 0.0% | 5.0% |

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WORKFORCE PROFILE: CWDM GLOBAL - JUNE 2022

| | MALE | | | | FEMALE | | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|-------------|--------------|
| | AFRICAN | COLOURED | INDIAN | WHITE | AFRICAN | COLOURED | INDIAN | WHITE |
| CWDM Targets | 20.5% | 23.9% | 1.1% | 10.3% | 15.9% | 19.3% | 0.4% | 8.6% |
| Top Management (June 2022) | 0.0% | 50.0% | 0.0% | 25.0% | 0.0% | 25.0% | 0.0% | 0.0% |
| Top Management (May 2022) | 0.0% | 50.0% | 0.0% | 25.0% | 0.0% | 40.0% | 0.0% | 0.0% |
| Senior Management (June 2022) | 0.0% | 40.0% | 0.0% | 0.0% | 0.0% | 40.0% | 0.0% | 20.0% |
| Senior Management (May 2022) | 0.0% | 40.0% | 0.0% | 0.0% | 0.0% | 40.0% | 0.0% | 20.0% |
| Professionally qualified and experienced specialists and mid-management (June 2022) | 5.6% | 36.1% | 0.0% | 22.2% | 8.3% | 19.4% | 0.0% | 8.3% |
| Professionally qualified and experienced specialists and mid-management (May 2022) | 5.6% | 36.1% | 0.0% | 22.2% | 8.3% | 19.4% | 0.0% | 8.3% |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (June 2022) | 8.5% | 37.3% | 0.0% | 20.4% | 13.4% | 16.9% | 0.0% | 3.5% |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (May 2022) | 8.5% | 36.6% | 0.0% | 21.1% | 13.4% | 16.9% | 0.0% | 3.5% |
| Semi-skilled and discretionary decision making (June 2022) | 21.5% | 40.9% | 0.67% | 4.0% | 6.7% | 19.5% | 0.0% | 6.7% |
| Semi-skilled and discretionary decision making (May 2022) | 21.6% | 40.5% | 0.68% | 4.1% | 6.8% | 19.6% | 0.0% | 6.8% |
| Unskilled and defined decision making (June 2022) | 49.2% | 13.8% | 0.0% | 0.0% | 21.5% | 13.8% | 0.0% | 1.5% |
| Unskilled and defined decision making (May 2022) | 49.2% | 13.8% | 0.0% | 0.0% | 21.5% | 13.8% | 0.0% | 1.5% |
| TOTAL: DISABLED – JUNE 2022 | 0.0% | 0.24% | 0.0% | 0.72% | 0.24% | 0.48% | 0.0% | 0.72% |
| TOTAL: ALL EMPLOYEES – JUNE 2022 | 19.5% | 34.9% | 0.25% | 11.0% | 11.5% | 18.0% | 0.0% | 5.0% |
| TOTAL: ALL EMPLOYEES – MAY 2022 | 19.5% | 34.5% | 0.25% | 11.3% | 11.5% | 18.0% | 0.0% | 5.0% |

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All employees, including employees with disabilities

EMPLOYMENT EQUITY FIGURES 30 JUNE 2022

| Occupational Level | Male | | | | Female | | | | Foreign Nationals | | TOTAL |
|---|-----------|------------|----------|-----------|-----------|-----------|----------|-----------|-------------------|----------|------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | Male | Female | |
| Top Management | 0 | 2 | 0 | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 4 |
| Senior Management | 0 | 2 | 0 | 0 | 0 | 2 | 0 | 1 | 0 | 0 | 5 |
| Professionally qualified and experienced specialists and mid-management | 2 | 13 | 0 | 8 | 3 | 7 | 0 | 3 | 0 | 0 | 36 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 12 | 53 | 0 | 29 | 19 | 24 | 0 | 5 | 0 | 0 | 142 |
| Semi-skilled and discretionary decision making | 32 | 61 | 1 | 6 | 10 | 29 | 0 | 10 | 0 | 0 | 149 |
| Unskilled and defined decision making | 32 | 9 | 0 | 0 | 14 | 9 | 0 | 1 | 0 | 0 | 65 |
| Total Permanent | 78 | 140 | 1 | 44 | 46 | 72 | 0 | 20 | 0 | 0 | 401 |
| Temporary Employees | 2 | 5 | 0 | 1 | 11 | 12 | 0 | 1 | 0 | 0 | 32 |
| Grand Total | 80 | 145 | 1 | 45 | 57 | 84 | 0 | 21 | 0 | 0 | 433 |

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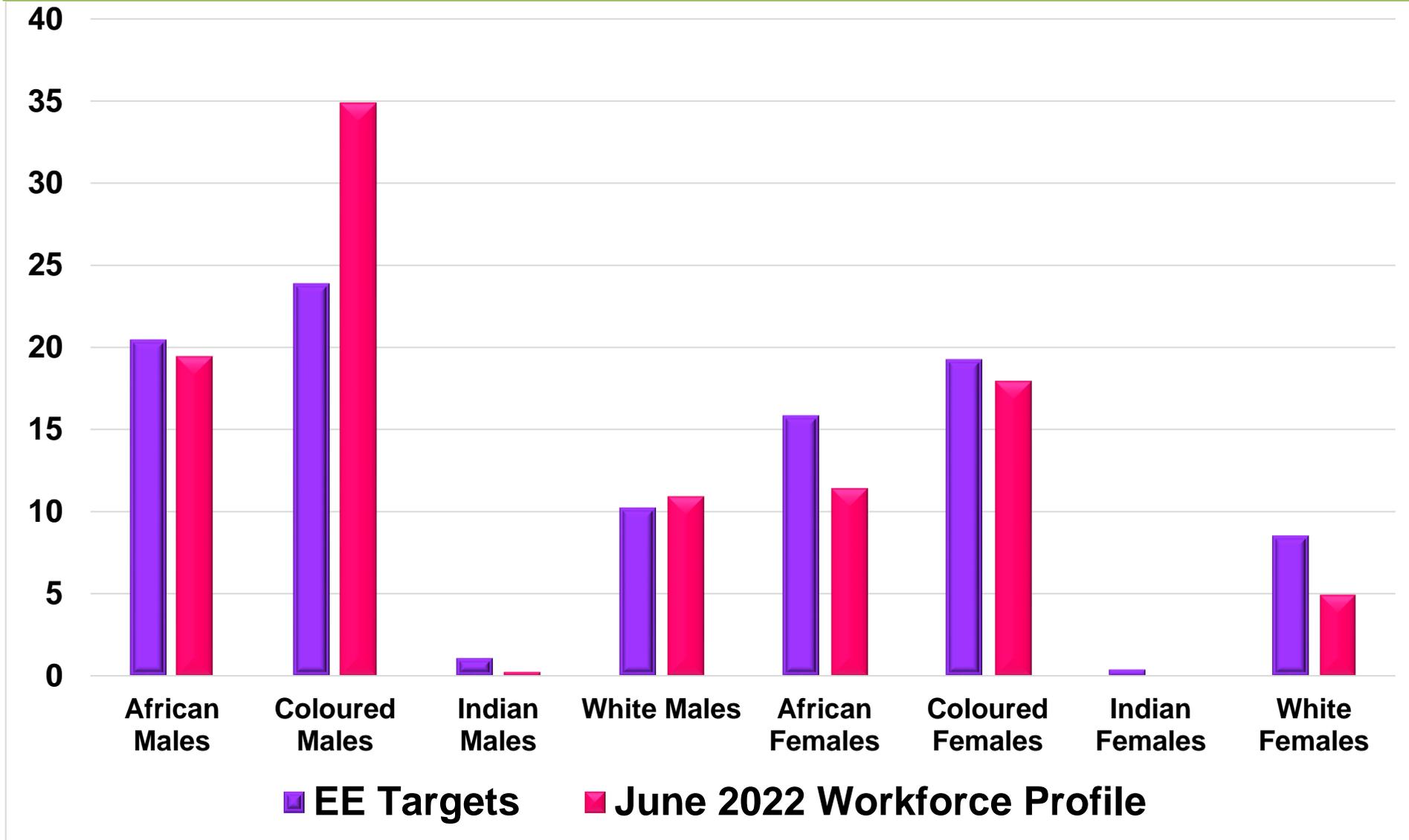


All employees with disabilities

| Occupational Levels | Male | | | | Female | | | | Foreign nationals | | Total |
|---|------|---|---|---|--------|---|---|---|-------------------|--------|-------|
| | A | C | I | W | A | C | I | W | Male | Female | |
| Top management | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior management | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Professionally qualified and experienced specialists and mid-management | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 0 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 2 |
| Semi-skilled and discretionary decision making | 0 | 1 | 0 | 2 | 0 | 0 | 0 | 2 | 0 | 0 | 5 |
| Unskilled and defined decision making | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 0 | 2 |
| TOTAL PERMANENT | 0 | 1 | 0 | 3 | 1 | 1 | 0 | 3 | 0 | 0 | 9 |
| TEMPORARY EMPLOYEES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| GRAND TOTAL | 0 | 1 | 0 | 3 | 1 | 1 | 0 | 3 | 0 | 0 | 9 |

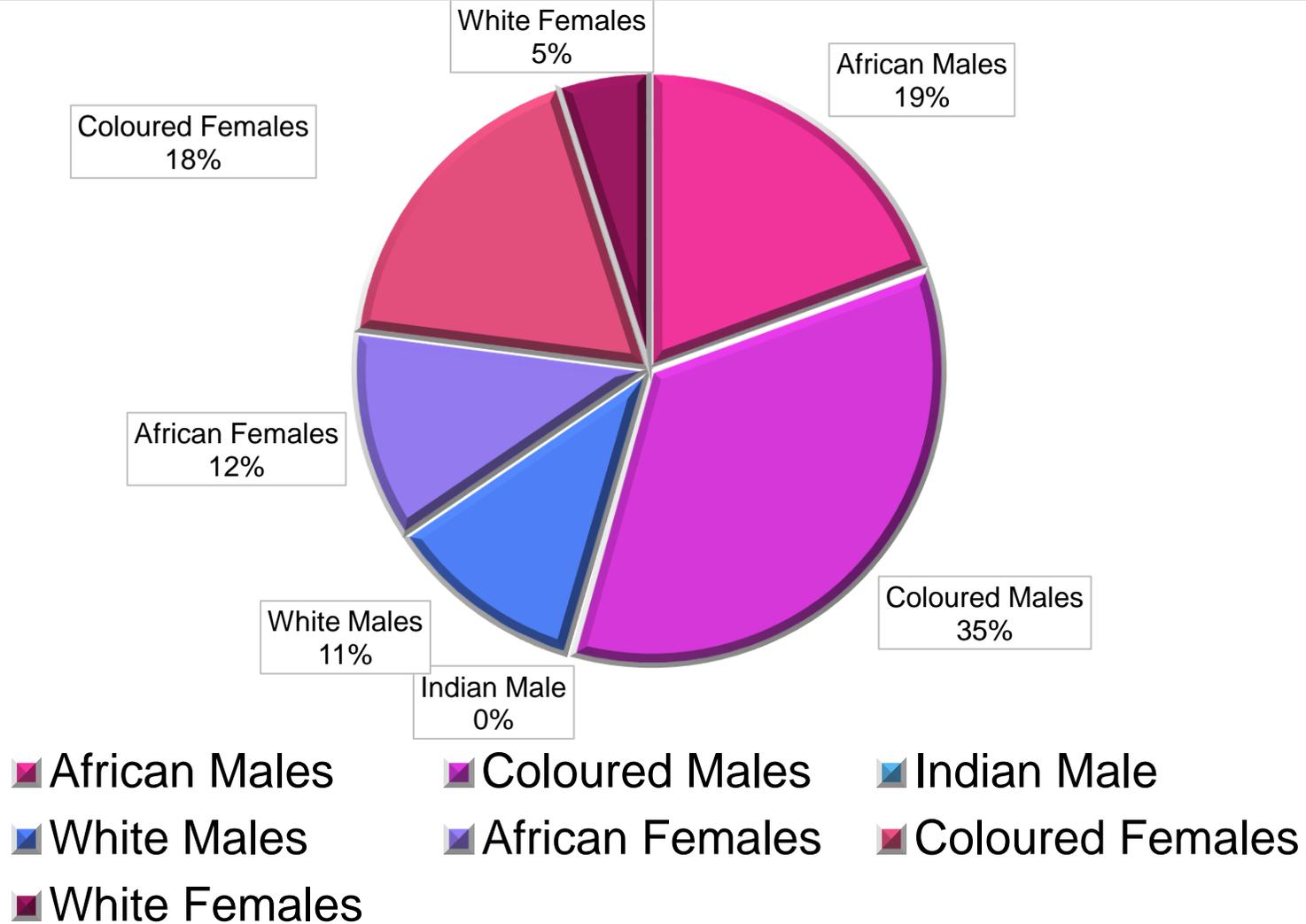


JUNE 2022 WORKFORCE PROFILE COMPARED TO EE TARGETS



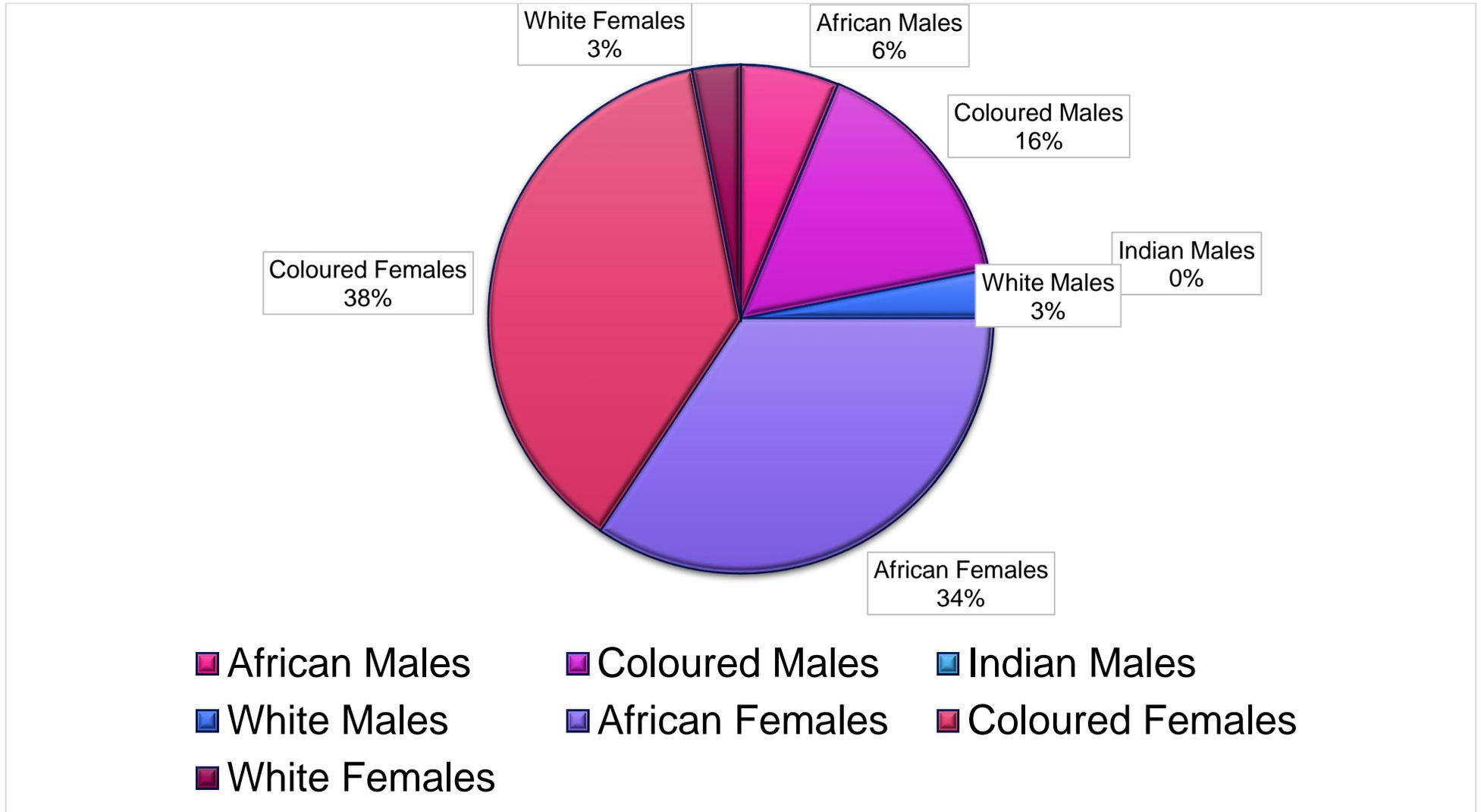


JUNE 2022 GENDER WORKFORCE PROFILE





JUNE 2022 TEMPORARY EMPLOYEES



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4.2 POLICIES

| OFFICE OF THE MUNICIPAL MANAGER'S POLICIES AND PLANS | | | | |
|---|--|-------------|---|--|
| No. | Name of Policy | Completed % | Reviewed | Date adopted by Council or comment on failure to adopt |
| 1. | Anti-Corruption Policy Revised CWDM Anti-Corruption and Fraud Prevention Policy and Strategy | 100 | 27 August 2020 | 27 August 2020 |
| 2. | Enterprise Risk Management Policy CWDM Risk Management Policy, Strategy and Risk & Fraud Implementation Plan | 100 | 27 August 2020 | 27 August 2020 |
| 3. | International Relations Policy | 100 | | 27 August 2009 |
| 4. | Performance Management System Policy and Framework Guide | 100 | 4 December 2014 20 August 2015 | 25 March 2004 |
| 5. | Public Participation Policy | 100 | | 20 August 2015 |
| 6. | Policy for Municipal Councillors Acting in their capacity as Commissioner of Oath | 100 | | 25 February 2021 |
| 7. | Branding Policy | 100 | | 28 May 2015 |
| 8. | Communication Policy and Strategy 2008-2011 | 100 | 20 August 2015 | 6 November 2008 |
| 9. | Staff Statements to the Media Policy | 100 | | 24 May 2005 |
| 10. | Corporate Identity and Branding Policy | 100 | | 28 May 2015 |
| FINANCIAL AND STRATEGIC SUPPORT SERVICES POLICIES AND PLANS | | | | |
| 11. | Determination of Policy for Internal Appeal Procedure in terms of section 62 of Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) | 100 | | 24 March 2003 |
| 12. | Grievance Procedure | 100 | | SALGBC |
| 13. | Legal Aid Policy for Councillors and Employees | 100 | | 24 May 2005 |
| 14. | Mayoral Bursary Fund Policy | 100 | | 25 October 2012 |
| 15. | Official Vehicles and Fleet Management Policy | 100 | 04 December 2014 | 25 March 2004 |
| 16. | Policy for the Investigation of Allegations of Contraventions of Code of Conduct for Councillors | 100 | | 25 March 2004 |
| 17. | Telephone Policy for Councillors | 100 | | 30 June 2006 |
| 18. | Uniforms and Protective Clothing: Support Personnel | 100 | | 24 May 2005 |
| 19. | Official Vehicles and Fleet Management Policy | 100 | | 4 December 2014 |
| 20. | Appointment of Consultants Policy | 100 | | 28 May 2015 |
| 21. | Accounting Policy | 100 | | 23 May 2013 |
| 22. | Allowances and Benefits for Councillors Policy | 100 | | 31 January 2019 |
| 23. | Asset Management Policy | 100 | 22 May 2014 28 May 2015 25 May 2017 | 23 May 2013 |
| 24. | Benevolent Fund Policy | 100 | 25 November 2010 | 27 August 2009 |
| 25. | Budget Policy | 100 | | 25 July 2013 |
| 26. | Cash Management Policy and Investment Policy | 100 | 28 May 2015 | 26 August 2010 |
| 27. | Combating Abuse of Supply Chain Management System Policy | 100 | | 28 May 2015 |
| 28. | Contract Management Policy | 100 | | 28 May 2015 |
| 29. | Corporate Gifts Policy | 100 | | 28 May 2015 |
| 30. | Credit Control, Debt Collection and Indigent Policies | 100 | 28 May 2015 | 30 September 2009 |
| 31. | Expenditure Management Policy | 100 | | 28 May 2015 |
| 32. | Funding and Reserves Policy | 100 | 28 May 2015 | 14 April 2011 |
| 33. | GRAP Policy and Procedural Guide | 100 | | 31 January 2005 |
| 34. | Inventory and Stock Management Policy | 100 | | 28 May 2015 |

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| | | | | |
|---|---|-----|---|-------------------|
| 35. | Long-term Financial Policy | 100 | | 28 May 2015 |
| 36. | Petty Cash Policy | 100 | | 26 March 2015 |
| 37. | Preferential Procurement Policy | 100 | | 28 May 2015 |
| 38. | Property Rates Policy | 100 | | 23 May 2006 |
| 39. | Revenue Management Policy | 100 | | 20 May 2015 |
| 40. | Subsistence and Travel Policy | 100 | 25 November 2010 30 March 2012 25 July 2013 | 28 January 2010 |
| 41. | Supply Chain Management Policy | 100 | 31 July 2014 25 May 2017 | 27 March 2008 |
| 42. | Tariff Policy and Tariff By-Law | 100 | | 13 November 2003 |
| 43. | Telecoms and Cellular Phone Allowance Policy | 100 | | 31 January 2019 |
| 44. | Transport Allowance Scheme | 100 | 29 January 2015 | 26 April 2007 |
| 45. | Transport Allowance Scheme for Essential Users | 100 | | 22 June 2007 |
| 46. | Travel and Removal Expenses Policy | 100 | | 24 May 2005 |
| 47. | Unauthorised Fruitless and Wasteful Expenditure | 100 | | 28 May 2015 |
| 48. | Unforeseen and Unavoidable Expenditure Policy | 100 | | 28 May 2015 |
| 49. | Virement Policy | 100 | 28 May 2015 25 May 2017 | 14 May 2010 |
| 50. | Chronic Illness Policy | 100 | | 24 May 2005 |
| 51. | Code of Conduct for Employees | 100 | | LG: Systems Act |
| 52. | Confidentiality Policy | 100 | | 24 May 2005 |
| 53. | CWDM Sponsored Work-related Functions Policy | 100 | | 24 May 2005 |
| 54. | Delegations, Authorisation and Responsibility | 100 | Under review | 15 July 2011 |
| 55. | Determination of Policy: Dress Code for Councillors | 100 | | 19 February 2004 |
| 56. | Employee Assistance Programme Policy | 100 | 21 October 2021 | 25 April 2012 |
| 57. | Employee Driving Licence Assistance Policy | 100 | 27 June 2014 | 17 February 2011 |
| 58. | Employee Study Aid and Leave Policy | 100 | 3 December 2013 21 October 2021 | 24 May 2005 |
| 59. | Education, Training and Development Policy | 100 | 4 December 2014 | 24 May 2005 |
| 60. | HIV and Aids Policy | 100 | 25 November 2010 | 24 May 2005 |
| 61. | Individual Performance Management Policy | 100 | 21 October 2021 | 28 June 2016 |
| 62. | Induction Policy | 100 | | 24 May 2005 |
| 63. | Internship Policy | 100 | | 28 May 2015 |
| 64. | Medical Funds Administration Policy | 100 | | 21 October 2021 |
| 65. | Mentoring and Coaching Policy | 100 | | 21 October 2021 |
| 66. | Nepotism Policy | 100 | | 24 May 2005 |
| 67. | Occupational Health and Safety Policy | 100 | 21 October 2021 | 24 May 2005 |
| 68. | Post-retirement Medical Aid Benefits Policy | | | 21 October 2021 |
| 69. | Private Work Policy | 100 | Under review | 24 May 2005 |
| 70. | Recruitment and Selection Policy | 100 | 25 November 2010 | 24 May 2005 |
| 71. | Sexual Harassment Policy | 100 | | 24 May 2005 |
| 72. | Smoking Policy | 100 | | 25 November 2010 |
| 73. | Sponsorship Policy | 100 | | 28 May 2015 |
| 74. | Student Assistance Policy | 100 | 3 March 2008 | 24 May 2005 |
| 75. | Substance Abuse Policy | 100 | | 24 May 2005 |
| 76. | Succession Planning and Career Pathing Policy | 100 | 21 October 2021 | 24 May 2005 |
| 77. | Task Job Evaluation Policy | 100 | | 6 December 2018 |
| 78. | Time and Work Attendance Management Policy | 100 | | 27 October 2011 |
| 79. | Unpaid Leave Policy | 100 | | 24 May 2005 |
| 80. | Whistleblowing Policy | 100 | | 24 May 2005 |
| COMMUNITY DEVELOPMENT AND PLANNING SERVICES POLICIES AND PLANS | | | | |
| 81. | Community Support Policy | 100 | 28 May 2015 | 29 September 2005 |
| 82. | Emergency Nutrition Provision Policy | 100 | | 31 January 2013 |
| 83. | Fire and Rescue Training Academy Policy | 100 | | 4 December 2014 |

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| | | | | |
|--|---|-----|-------------------------------|---------------------------|
| 84. | Identifiable and Protective Clothing Policy: Disaster Management | 100 | | 24 October 2006 |
| 85. | Protective Clothing for Environmental Health Practitioners | 100 | | 25 July 2006 |
| 86. | Uniform Schedule for the Division: Fire Service | 100 | | 25 July 2006 |
| 87. | Social Relief of Distress Policy | 100 | | C.15.1 of 25 January 2018 |
| TECHNICAL SERVICES POLICIES AND PLANS | | | | |
| 89. | Electrification of Rural Housing Policy, Consolidate with Water and Sanitation Policy | 100 | 25 February 2015 | 25 October 2012 |
| 90. | Expanded Public Works Policy | 100 | | 31 January 2013 |
| 91. | Financial Support for the Replacement and Construction of Fencing along the Provincial Roads Network in the jurisdiction area of CWDM | 100 | | 3 December 2013 |
| 92. | Maintenance Management Policy | 100 | | 28 May 2015 |
| 93. | Personal Protective Equipment Policy for the Roads Agency Function | 100 | | 26 March 2015 |
| 94. | Policy for the Provision of Basic Services to Rural Dwellings | 100 | | 25 February 2016 |
| 95. | PPE Policy for Roads and Mechanical Workshop | 100 | | 26 March 2015 |
| 96. | Protective Clothing Policy for Personnel: Roads | 100 | | 25 July 2006 |
| 97. | Baseline Installation Procedures for Operating Systems | 100 | | 25 July 2013 |
| 98. | Change Management Process | 100 | | 24 April 2014 |
| 99. | ICT Data Backup and Retention Policy | 100 | | 29 June 2017 |
| 100. | ICT Disaster Recovery Plan | 100 | | 30 March 2012 |
| 101. | ICT Operating System Security Controls Policy | 100 | 25 July 2013 24 April 2014 | 19 September 2016 |
| 102. | ICT Service Level Agreement Management | 100 | | 29 June 2017 |
| 103. | Information and Communication Backup Policy | 100 | 24 April 2014 | 25 April 2012 |
| 104. | Information Technology Security Policy | 100 | | 24 May 2005 |
| 105. | Internet and E-mail Usage Policy | 100 | | 24 May 2005 |
| 106. | Municipal Corporate Governance of Information and Communication Technology (ICT) Policy | 100 | | 31 May 2018 |
| 107. | Mobile Device Policy | 100 | | 4 December 2014 |
| 108. | Network Security Policy | 100 | 24 April 2014 25 July 2013 | 25 April 2017 |
| 109. | Physical Environmental Security Policy | 100 | | 25 July 2013 |
| 110. | Telecommunications Policy | 100 | 4 December 2014 | 24 May 2005 |
| 111. | User Account Management Procedures | 100 | | 24 April 2014 |
| 112. | User Security Policy | 100 | | 27 October 2011 |

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4.3 INJURIES

| Number and cost of injuries on duty | | | | | |
|---------------------------------------|--------------------|------------------------------|--|-----------------------------------|----------------------|
| Type of injury | Injury leave taken | Employees using injury leave | Proportion of employees using sick leave | Average injury leave per employee | Total estimated cost |
| | Days | No. | % | Days | R'000 |
| Required basic medical attention only | 30 | 12 | 89.55% | 2.5 | R141,948.44 |
| Fatal | 0 | 0 | 0 | 0 | 0 |
| Total | 30 | 12 | 89.55% | 2.5 | R141,948.44 |

| NUMBER OF DAYS AND COST OF SICK LEAVE (EXCLUDING INJURIES ON DUTY) | | | | | |
|--|------------------|--|----------------------------|--------------------------|----------------------------------|
| JOB LEVELS | Total sick leave | Proportion of sick leave without medical certification | Employees using sick leave | Total employees in post* | Average sick leave per employees |
| | Days | % | No. | No. | Days |
| Top Management (MM & Section 56) | 10 | 30% | 3 | 4 | 3.33 |
| Senior Management (T18 – T19) | 33 | 48.48% | 4 | 5 | 8.25 |
| Professionally qualified and experienced specialists and mid-management (T14 – T17) | 251 | 23.90% | 24 | 34 | 10.45 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (T9 – T13) | 1046 | 20.07% | 110 | 146 | 9.5 |
| Semi-skilled and discretionary decision making (T4 – T8) | 2341 | 25.37% | 148 | 148 | 15.81 |
| Unskilled and defined decision making (T1 – T3) | 1035 | 31.78% | 65 | 65 | 15.92 |
| Total | 4716 | 25.69% | 354 | 402 | 13.32 |



COMMENT ON INJURY AND SICK LEAVE

Eighty (80) days’ sick leave is granted to employees in a three-year (3-year) leave cycle in terms of Clause 8.2.1 of section B of the Main Collective Agreement. However, during the 2015/2016 financial year, an amendment was made in terms of which new appointees may not take more than 30 days sick leave in the first year of employment. In terms of the Main Collective Agreement, the CWDM requires a medical certificate from a registered medical practitioner if more than two (2) consecutive days are taken as sick leave by an employee. The employer is further not required to pay an employee if an employee is absent on more than two occasions during an eight-week period and, on request by the employer, does not produce a medical certificate stating that the employee was unable to work for the duration of the employee’s absence on account of sickness or injury.

In an attempt to motivate employees not to abuse sick leave, amendments to the Collective Agreement on Conditions of Service for the Western Cape Division of the SALGBC now provide that employees who have not taken more than 20 days’ sick leave at the end of a three-year cycle shall receive an additional 10 working days’ paid sick leave to which they will be entitled in the ensuing cycle, provided that in respect of any sick leave cycle no employee shall become entitled to more than 120 working days’ sick leave on full pay in a sick leave cycle.

The CWDM also adopted an Employee Assistance Programme to offer confidential assistance to employees who have the potential to be adversely affected by personal and work-related problems, which might result in absence from the workplace because of sick leave. Through the Employee Assistance Programme, employees are assisted to resolve personal problems that affect job performance, motivated to seek help and directed to the best assistance possible.

Injury on duty leave is granted to an employee who suffers an illness or injury in the course of his/her duties for the periods corroborated by a medical certificate and is restricted to 24 months in respect of any one illness or injury. All injuries on duty that result in accident leave are investigated by the relevant supervisors, in collaboration with the Occupational Health and Safety Officer in order to establish whether there was any negligent behaviour and to impose measures to avoid future incidents/injuries that may result in accident leave. All incidents and injuries are reported on a monthly basis to the Local Labour Forum.

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| NUMBER AND PERIOD OF SUSPENSION | | | | |
|--|--|--------------------------|--|----------------|
| Position | Nature of alleged misconduct | Date of suspension | Details of disciplinary action taken, or status of case and reasons why not finalised | Date finalised |
| General Assistant: Logistical Support | Displaying aggressive and violent behaviour towards a fellow colleague | 3/2/2022 – 18/04/2022 | Plea of guilty was entered. A final written warning was issued, valid for six (6) months as from 9 May 2022. | 9/5/2022 |

| DISCIPLINARY ACTION TAKEN IN CASES OF FINANCIAL MISCONDUCT | | | |
|--|---|---------------------------|----------------|
| Position | Nature of alleged misconduct and rand value of any loss to the municipality | Disciplinary action taken | Date finalised |
| None. | | | |

4.4 PERFORMANCE REWARDS

| PERFORMANCE REWARDS BY GENDER | | | | | |
|--|---------------------|------------------------------------|-------------------------|----------------------------------|--|
| Designations | Beneficiary profile | | | | |
| | Gender | Total number of employees in group | Number of beneficiaries | Expenditure on rewards 2020/2021 | Proportion of beneficiaries within group |
| | | | | R'000 | % |
| Top Management (MM & Section 56) | Female | 1 | 1 | 0 | 100% |
| | Male | 3 | 3 | 0 | 100% |
| Senior Management (T18 – T19) | Female | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 |
| Professionally qualified and experienced specialists and mid-management (T14 – T17) | Female | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (T9 – T13) | Female | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 |
| Semi-skilled and discretionary decision making (T4 – T8) | Female | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 |
| Unskilled and defined decision making (T1 – T3) | Female | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 |
| Total | | 0 | 0 | 0 | 100 |
| Has the statutory municipal calculator been used as part of the evaluation process? | | | | | Yes |

*Payment expenditure in respect of performance rewards is based on 2020/2021 Annual Performance Report

COMMENT ON PERFORMANCE REWARDS

In terms of section 57(4B) of the MSA, bonuses based on performance may be awarded to a municipal manager or a manager directly accountable to the municipal manager after the end of the financial year and only after an evaluation of performance and approval of such evaluation by the municipal council concerned.

Regulation 8 of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006 states that in accordance with Regulation 32, a performance bonus, based on affordability, may be paid to the employee, after –

- the annual report for the financial year under review has been tabled and adopted by the municipal council;
- an evaluation of performance in accordance with the provisions of Regulation 23; and
- approval of such evaluation by the municipal council as a reward for outstanding performance.

Regulation 23 of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006 states that the purpose of a performance agreement is to:

- comply with the provisions of sections 57(1)(b), (4A), (4B) and (5) of the Act as well as the employment contract entered into between the parties;
- specify objectives and targets defined and agreed with the employee and to communicate to the employee the employer's expectations of the employee's performance and accountabilities in alignment with the IDP, SDBIP and the budget of the municipality;
- specify accountabilities as set out in a performance plan, which forms an annexure to the performance agreement;
- monitor and measure performance against set targeted outputs;
- use the performance agreement as the basis for assessing whether the employee has met the performance expectations applicable to his or her job;
- in the event of outstanding performance, to appropriately reward the employee; and
- give effect to the employer's commitment to a performance-orientated relationship with its employees in attaining equitable and improved service delivery.

Regulation 32 of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006 states that:

- The evaluation of the employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance; and
- A performance bonus ranging from 5% to 14% of the all-inclusive remuneration package may be paid to an employee in recognition of outstanding performance. In determining the performance bonus, the relevant percentage is based on the overall rating, calculated by using the applicable assessment-rating calculator.

On 29 June 2017, at Item C.15.1, the Council of the CWDM resolved that performance bonuses in respect of the Municipal Manager and Managers directly accountable to the Municipal Manager be reinstated with effect from 1 July 2017 to 30 June 2018 and that the performance bonuses be considered annually based on financial affordability.

It was further resolved that performance bonuses ranging from 5% to 9% based on a score of 130% to 149% and a maximum of 10% based on a score of 150% and above, in terms of Regulation 32(2) of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006 be paid to the Municipal Manager and Managers directly accountable to the Municipal Manager and that addendums to the principal performance agreements be entered into between the Executive Mayor and the Municipal Manager and the Municipal Manager and the Managers directly accountable to the Municipal Manager.

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COUNCIL MEETING: 30 JUNE 2022: ITEM C. 15.1

RESOLVED: (36 Councillors)

With a majority of thirty-three (33) votes to two (2) votes that the recommendation of the Performance Evaluation Committee regarding the awarding of performance bonuses of 14% calculated on the all-inclusive remuneration packages as at 30 June 2021 to the following employees, be approved:

| POSITION | OFFICIAL NAME | WORKING PERIOD | PERFORMANCE SCORE | BONUS% |
|--|--------------------------|----------------------------|--------------------------|---------------|
| Municipal Manager | Mr HF Prins | 1 July 2020 – 30 June 2021 | 153 | 14 |
| Chief Financial Officer | Ms FA du Raan-Groenewald | 1 July 2020 – 30 June 2021 | 152,33 | 14 |
| Executive Director: Technical Services | Mr F van Eck | 1 July 2020 – 30 June 2021 | 151.67 | 14 |
| Executive Director: Community Development and Planning Services | Mr PA Williams | 1 July 2020 – 30 June 2021 | 152.67 | 14 |

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2021/2022

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.5 SKILLS DEVELOPMENT AND TRAINING

| SKILLS MATRIX | | | | | | | | | | | | | | |
|--|--------|--------------------------------------|--|-----------------------|-----------------------|---|-----------------------|-----------------------|-------------------------|-----------------------|-----------------------|------------|-----------------------|-----------------------|
| Management Level | Gender | Employees in post as at 30 June 2022 | Number Of Skilled Employees Required and Actual as at 30 June 2022 | | | | | | | | | | | |
| | | | Learnerships | | | Skills Programmes and other Short Courses | | | Other Forms of Training | | | Total | | |
| | | | No. | Actual: End of Year 0 | Actual: End of Year 1 | Target | Actual: End of Year 0 | Actual: End of Year 1 | Target | Actual: End of Year 0 | Actual: End of Year 1 | Target | Actual: End of Year 0 | Actual: End of Year 1 |
| MM and S56 | Female | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Male | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Councillors, senior officials and managers | Female | 20 | 0 | 0 | 0 | 7 | 4 | 2 | 0 | 0 | 0 | 7 | 4 | 2 |
| | Male | 33 | 0 | 0 | 0 | 14 | 8 | 5 | 0 | 0 | 0 | 14 | 8 | 5 |
| Technicians and associate professionals | Female | 9 | 0 | 3 | 0 | 0 | 4 | 5 | 0 | 0 | 0 | 0 | 7 | 5 |
| | Male | 31 | 4 | 15 | 4 | 2 | 6 | 7 | 0 | 0 | 0 | 6 | 21 | 11 |
| Professionals | Female | 41 | 0 | 0 | 0 | 39 | 18 | 19 | 0 | 0 | 0 | 39 | 18 | 19 |
| | Male | 32 | 0 | 0 | 0 | 47 | 16 | 21 | 0 | 0 | 0 | 47 | 16 | 21 |
| Sub-total | Female | 71 | 0 | 3 | 4 | 46 | 26 | 26 | 0 | 0 | 0 | 46 | 29 | 30 |
| | Male | 99 | 4 | 15 | 0 | 63 | 30 | 33 | 0 | 0 | 0 | 67 | 45 | 33 |
| Total | | 170 | 4 | 18 | 4 | 109 | 56 | 59 | 0 | 0 | 0 | 113 | 74 | 63 |
| *Registered with professional associate body, e.g. CA (SA) | | | | | | | | | | | | | | 73 |

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| FINANCIAL COMPETENCY DEVELOPMENT: PROGRESS REPORT | | | | | | |
|---|--|--|-----------------------------------|---|---|---|
| Description | A. Total Number of Officials Employed by Municipality (Regulation 14(4)(A) and (C)) | B. Total Number of Officials Employed by Municipal Entities (Regulation 14(4)(A) and (C)) | Consolidated: Total of A and B | Consolidated: Competency Assessments Completed for A and B (Regulation 14(4)(B) and (D)) | Consolidated: Total Number of Officials Whose Performance Agreements Comply with Regulation 16 (Regulation 14(4)(F)) | Consolidated: Total Number of Officials that Meet Prescribed Competency Levels (Regulation 14(4)) |
| Accounting Officer | 1 | 0 | 1 | 0 | 1 | 1 |
| Chief Financial Officer | 1 | 0 | 1 | 0 | 1 | 1 |
| Senior Managers | 2 | 0 | 2 | 0 | 2 | 2 |
| Any other Financial Officials | 29 | 0 | 29 | 0 | 0 | 29 |
| Heads Of Supply Chain Management Units | 1 | 0 | 1 | 0 | 0 | 1 |
| Supply Chain Management Senior Managers | 1 | 0 | 1 | 0 | 0 | 1 |
| TOTAL | 35 | 0 | 35 | 0 | 4 | 35 |
| SKILLS DEVELOPMENT EXPENDITURE | | | | | | |
| R751.017.82 | | | | | | |



COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS

Training and Development is an essential exercise for both the municipality and its employees, as it helps the municipality to gain and retain top talent, increases employee job satisfaction and morale, as well as improve productivity. However, the Covid-19 pandemic had a paramount impact on training and development within the CWDM. This impact was experienced on countless levels and areas of training and development.

Briefly outlined below are the training and development challenges that were experienced, but not limited to:

- Supply Chain Management challenges; there were non-responsive bidders
- Contractual challenges with training providers resulting in the extension/cancellation of contracts
- Virtual/online training versus classroom-led training, which had a negative impact on learners specifically the 'older' learners and those with limited schooling
- The availability of online resources and poor internet connections in the rural areas
- Psychological impact of Covid-19 on learners, which led to anxiety, post-traumatic syndrome (loss of loved ones) and a demotivated staff component
- Physiological impact on learners caused by the 'long Covid-19' physical consequences (long-term effect, e.g. tiredness)

As a result of the Covid-19 pandemic, the CWDM took the initiative and addressed the above challenges by developing and implementing unconventional strategies and processes such as;

- converting existing training contracts and developing new contracts by utilising the 'blended mode' of learning
- developing and implementing Covid-19 Training Guidelines (safety)
- adequately preparing learners to migrate from classroom-led training to virtual/online training
- ensuring that online resources were available to learners (laptops, data, etc.); as well as incorporating learner/staff motivation as an integral part of all training programmes, etc.

This initiative ensured that the employees of the CWDM are well trained despite the prevailing circumstances. However, due to the abovementioned, the training implementation processes for 2020/2021 were delayed and the backlog spilled over into the 2021/2022 year.

The main purpose of organisational capacitation is to ensure that all training initiatives implemented within the Cape Winelands District Municipality (CWDM) are directly linked to achieving the CWDM IDP objectives. During the 2020/2021 financial year, the CWDM embarked on various training formal and informal training interventions. The majority of skills training programmes are conducted via the 'blended learning approach', combining both virtual/online training and the traditional classroom-led training.

Training and Development 2021/2022

Organisational

For the 2021/2022 financial year, the CWDM continued the prioritisation of training in Minimum Municipal Competency Levels (MMCL) as required in terms of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003). The CWDM has taken all the reasonable steps towards compliance and to this effect, employees within the municipality who were negatively affected by Covid-19 lockdown and course postponement, completed their modules successfully in September 2021.

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Employees appointed in 2021 and 2022 respectively (officials involved in the implementation of Supply Chain Management Policy: Officials with financial delegations), together with three (3) new Financial Interns in April 2022 embarked on the Municipal Finance Management Programme with the newly appointed Service Provider.

To give effect and to ensure full compliance with the Protection of Personal Information Act (POPIA), the Department of the Premier, Western Cape Government, successfully concluded the roll-out of the POPIA training. This training was compulsory for all CWDM employees to ensure full understanding of these legislative requirements.

Department: Financial and Strategic Support Services

The Employee Assistant Practitioner (EAP) and Workstudy Officer attended an Online Employee Wellness course by the University of Pretoria to enable the EAP to promote wellness and to support employees' physical and emotional wellbeing by addressing key personal issues that directly affect physical health and workplace productivity.

Department: Community Development and Planning Services

The Continuous Professional Development Online Training programme ensures compliance of Environmental Health Practitioners as required by the Health Professions Council of South Africa (HPCSA). This statutory registration and continuous capacitation affect both Environmental Health Practitioners (EHPs) and Emergency Officials (Fire Services and Disaster Management). This online programme is imperative for enabling EHPs to stay informed in terms of any new relevant legislation, latest innovations, to be competitive and to maintain high-quality service delivery within the environmental health and emergency fields.

EHP interns were trained as law enforcement officers (peace officers). This intervention aimed to equip EHP interns as law enforcement officers, responsible for the daily enforcement of environmental health transgressions, as well as equipping them with the necessary criminal procedural skills to ensure enforcement. In addition, the latter also ensures that EHP interns are work-ready and qualified as new entrants into the South African labour force.

To ensure that the fire officials gain the required knowledge and skills, the Advanced 4X4 Driving and Skills Recovery Programme was successfully facilitated by a qualified and accredited service provider. This programme was conducted to determine the following outcomes:

- Obtain driving and recovery skills training programme for light and heavy duty vehicles for the emergency services personnel within the CWDM.
- Apply advanced techniques for operating four-wheel-drive (4WD) vehicles in on-road and off-road conditions.

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Department: Technical Services

The Industrial Relations Training Programme equipped and empowered municipal officials (line managers) with the knowledge, attitude and skills to effectively intervene (proactively) and to give them with necessary confidence to fulfil their managerial obligations, i.e. maintaining discipline within the workplace. This training programme enabled line managers and supervisors to apply the following aspects in their working environment in order to proactively identify and deal with discipline in the workplace:

- (a) Conduct disciplinary hearings in line with the principles of fairness and equity as envisaged by legislation (Labour Relations Act, Bargaining Agreement, etc.)
- (b) Misconduct issues of absenteeism, intoxication on duty, theft and how to deal with misconduct from the perspective of the law and CCMA guidelines
- (c) Guidelines on how line managers, supervisors and employee representatives can deal with issues of poor performance, medical incapacity and prolonged illness in the workplace
- (d) Preventing and dealing with fraud and corruption in the organisation
- (e) Emotional intelligence
- (f) Ethics and organisational values
- (g) Handling grievances

The implementation of the National Certificate: Roads Construction Supervisor (NQF 4) and the National Diploma: Construction and Engineering (NQF 5) Learnerships were specifically identified to ensure the transfer of technical skills and departmental readiness in the Roads Department as part of the municipality's succession planning strategy. These post-matric national qualifications were identified to ensure a pool of qualified officials to succeed ageing, qualified technicians and engineers within the division who are nearing retirement age.

National Certificate: Supervision of Construction Processes (NQF 4)





National Diploma: Management of Civil Engineering Processes (NQF 5)



Regulatory developments affecting machine operators caused the CWDM to implement various interdependent technical training programmes. The Earthmoving Equipment training programme focused on statutory skills on how to operate various earthmoving equipment and other heavy machinery and to obtain the required Operators' Cards.

Earthmoving Equipment Training Programme (November 2021 to August 2022)



Municipal Staff Regulations: Chapter 5: Skills Development

The Municipal Staff Regulations contain five chapters that are interlinked:

- Chapter 1 - Interpretation and application
- Chapter 2 - Staff establishment, job description and job evaluation
- Chapter 3 - Recruitment, selection and appointment of staff
- Chapter 4 - Performance management and development system
- Chapter 5 - Skills development

In terms of Chapter 5, the objectives of skills development include but are not limited to:

- Support the achievement of the municipality's goals set out in the Integrated Development Plan by providing critical skills that ensure the delivery of quality services
- Promote the development and retention of competent municipal staff, including the development of technical, professional and specialist staff who have the required qualifications and skills
- Support the employment equity objectives of a municipality
- Be based on high-quality provision and effective workplace learning and development practices, including coaching, mentoring, on-the-job learning and opportunities for the practical application of skills in the workplace
- Seek to continuously improve its results and the returns on learning investments by defining measures of success, conducting regular evaluations and improving the impact of learning, training and development

This chapter emphasises the importance of a Skills Audit, a Workplace Skills Plan and the implementation of the Skills Plan. Therefore, the implementation of the training interventions is informed by the approved



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annual Workplace Skills Plan and Training Implementation plan. Both plans are comprehensively consulted with all the relevant stakeholders, inclusive of employees, labour and management of the CWDM. The main purpose of organisational capacitation is to ensure that all objectives as listed in our IDP are recognised.

The Municipal Staff Regulations also emphasise that a municipality must focus on developing priority skills through structured learning programmes, which may include learnerships, apprenticeships, technicians-in-training programmes, graduates-in-training programmes and structured on-the-job learning and development.

Therefore, the capacitation of employees at the CWDM takes form through a combination of the following methodologies:

- a. Education (e.g. study aid (bursaries), learnerships, apprenticeships)
- b. Training (e.g. skills programmes – Municipal Finance Management Programme)
- c. Development (programmes that are aligned to talent management / succession planning strategies and multi-skilling)

In line with Chapter 5 of the Municipal Staff Regulations, the CWDM has its our Education, Training and Development Policy (as adopted by Council on 26 May 2022). Furthermore, and in compliance with the MSR, the CWDM developed and revised the following training-related policies to support its comprehensive Human Resource Development Strategy:

- Employee Study Aid and Leave Policy
- Mentoring and Coaching Policy
- Succession Planning and Career Pathing Policy

Thus, entering the 2022/2023 year, the above regulations and guidelines will inform all CWDM training and development initiatives.



CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises four components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Cash Flow Management and Investments
- Component D: Other Financial Matters

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE
5.1 INTRODUCTION TO FINANCIAL STATEMENTS

The CWDM maintained a sound financial position during the 2021/2022 financial year, despite the fact that its own revenue sources remain limited. Currently, being a district municipality unauthorised for water and sanitation, the RSC Levies Replacement Grant (DORA) increases by 1% a year. Consequently, the CWDM's financial resources shrink constantly, but it still manages to render basic, dignified, fundamental services to the communities they have been entrusted with by the Constitution of the Republic of South Africa.

| FINANCIAL SUMMARY | | | | | | |
|--|--------------------|--------------------|--------------------|--------------------|-----------------|--------------|
| Description | 2020/2021 | 2021/2022 | | 2021/2022 Variance | | |
| | Actual | Approved Budget | Final Budget | Actual | Approved Budget | Final Budget |
| Financial Performance | | | | | | |
| Investment Revenue | 38.231.810 | 41.000.000 | 41.000.000 | 41.969.387 | -2% | -2% |
| Transfers recognised - operational | 245.866.696 | 258.641.529 | 258.651.117 | 253.288.927 | 2% | 2% |
| Other own revenue | 117.160.125 | 119.325.666 | 119.316.078 | 103.874.850 | 13% | 13% |
| Total Revenue (excluding capital transfers and contributions) | 401.258.631 | 418.967.195 | 418.967.195 | 399.133.164 | 5% | 5% |
| Employee costs | 222.724.411 | 230.972.967 | 230.957.982 | 217.612.114 | 6% | 6% |
| Remuneration of Councillors | 12.657.183 | 13.232.003 | 13.232.003 | 12.747.080 | 4% | 4% |
| Depreciation and asset impairment | 9.238.318 | 9.876.320 | 9.750.620 | 9.591.598 | 3% | 2% |
| Other expenditure | 130.144.981 | 166.094.050 | 166.234.735 | 134.421.497 | 19% | 19% |
| Total Expenditure | 374.764.893 | 420.175.340 | 420.175.340 | 374.372.287 | 11% | 11% |
| Surplus/(Deficit) | 26.493.738 | (1.208.145) | (1.208.145) | 24.760.876 | 2149% | 2149% |
| Transfers recognised - capital | 213.558 | 1.208.145 | 1.208.145 | 980.217 | | |
| Surplus/(Deficit) after capital transfers and contributions | 26.707.296 | 0 | 0 | 25.741.093 | | |
| Share of surplus/(deficit) of associate | 0 | 0 | 0 | | | |
| Surplus/(Deficit) for the year | 26.707.296 | 0 | 0 | 25.741.093 | | |

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5.2 GRANTS

| CONDITIONAL GRANTS: EXCLUDING MIG | | | | | |
|--|------------------|-------------------|------------------|------------|--------------|
| R'000 | | | | | |
| Details | Original Budget | Final Budget | Actual | % Variance | |
| | | | | Budget | Final Budget |
| EPWP incentive | 1.413.000 | 1.413.000 | 1.313.000 | 7% | 7% |
| Local Government Financial Management Grant | 1.000.000 | 1.000.000 | 845.068 | 15% | 15% |
| Integrated Transport Plan | 900.000 | 1.722.456 | 670.000 | 26% | 61% |
| Rural Roads Asset Management System | 2.748.000 | 2.748.000 | 0 | 100% | 100% |
| Community Development Workers | 76.000 | 245.127 | 41.451 | 45% | 83% |
| Joint District & Metro Approach Grant | 0 | 2.000.000 | 2.000.000 | | 0% |
| Local Government Public Employment Support Grant | 0 | 200.000 | 0 | | 100% |
| Local Government Internship Grant | 0 | 101.545 | 55.545 | | 45% |
| Safety Plan Implementation - WOSA | 2.323.000 | 2.617.601 | 2.263.681 | 3% | 14% |
| WC Financial Management Capacity Building Grant | 250.000 | | | 100% | |
| Fire Services Capacity Building Grant | 0 | 1.046.000 | 0 | | 100% |
| Total | 8.710.000 | 13.093.729 | 7.188.744 | 17% | 45% |

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5.2 ASSET MANAGEMENT

5.3 INTRODUCTION TO ASSET MANAGEMENT

The CWDM does not provide basic services; hence it does not have major infrastructure assets. Assets mainly consist of land, buildings, vehicles and other property, plant and equipment.

The GRAP-compliant Asset Management Policy of the CWDM sets out the procedures to be followed by the Accounting Officer, Executive Directors and their staff to whom functions are delegated for the management of the CWDM's assets and for reporting to Council on such functions wherever applicable.

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

COMMENT ON FINANCIAL RATIOS

Liquidity Ratio (Norm 1 to 1.5)

2020/2021 - 16.39:1

2021/2022 – 17.7:1

Applying the ratio of current assets over current liabilities, the actual ratio equates to 17.7 (2020: 16.39) with a minimum acceptable norm at 1. This means that the current assets of the municipality are more than the current liabilities. The 2021/2022 current ratio of 17.7 increased with 1.31 from the previous year. The municipality is in a very good position to meet its financial obligations on a timely basis.

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COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.5 CAPITAL EXPENDITURE

| CAPITAL EXPENDITURE 2021/2022 | | | | | |
|-------------------------------|----------------------|----------------------|---------------------|------------|--------------------|
| Division | Original Budget | Adjustment Budget | Actual | % Variance | |
| | | | | Budget | Adjustments Budget |
| Admin Support Services | 662.716.00 | 548.516.00 | 503.570.44 | 24% | 8% |
| Property Management | 48.881.00 | 48.881.00 | 48.880.68 | 0% | 0% |
| Councillor Support | - | 4.200.00 | 4.193.48 | 0% | 0% |
| Human Resource Management | 1.600.000.00 | 1.600.000.00 | - | 100% | 100% |
| Management Financial Services | 14.000.00 | 124.000.00 | 39.436.80 | -182% | 68% |
| Disaster Management | 152.327.00 | 137.148.00 | 103.668.52 | 32% | 24% |
| Fire Services | 6.735.510.00 | 6.736.010.00 | 791.870.02 | 88% | 88% |
| Municipal Health Services | 31.990.00 | 46.669.00 | 46.668.05 | -46% | 0% |
| Building Maintenance | 1.346.910.00 | 1.346.910.00 | 200.673.90 | 85% | 85% |
| Projects | 200.000.00 | 200.000.00 | - | 100% | 100% |
| Management: Engineering | 58.500.00 | 58.500.00 | - | 100% | 100% |
| Public Transport Regulation | 34.000.00 | 34.000.00 | - | 100% | 100% |
| Information Technology | 4.460.000.00 | 4.421.841.00 | 329.513.86 | 93% | 93% |
| Roads | 162.145.00 | 162.145.00 | 51.136.60 | 68% | 68% |
| Total | 15.506.979.00 | 15.468.820.00 | 2.119.612.35 | 86% | 86% |

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5.6 REVENUE COLLECTION BY SOURCE

| Revenue Collection Performance by Source | | | | | | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------|
| R' 000 | | | | | | |
| Details | 2020/2021 | 2021/2022 | | | 2021/2022 Variance | |
| | Actual | Approved Budget | Final Budget | Actual | Approved Budget | Final Budget |
| Property Rates | - | - | - | - | - | - |
| Property Rates - penalties and collection charges | - | - | - | - | - | - |
| Service charges - electricity revenue | - | - | - | - | - | - |
| Service charges - water revenue | - | - | - | - | - | - |
| Service charges - sanitation revenue | - | - | - | - | - | - |
| Service charges - refuse revenue | - | - | - | - | - | - |
| Rental of facilities and equipment | 238.615 | 240.000 | 240.000 | 229.048 | 5% | 5% |
| Interest earned - external investments | 38.231.810 | 41.000.000 | 41.000.000 | 41.969.387 | -2% | -2% |
| Licences and permits | 669.682 | 653.000 | 653.000 | 739.566 | - | - |
| Agency services | 106.246.825 | 107.443.297 | 107.443.297 | 92.961.808 | 13% | 13% |
| Transfers recognised - operational | 245.866.696 | 258.641.529 | 258.651.117 | 253.288.927 | 2% | 2% |
| Other income | 10.005.003 | 10.989.369 | 10.979.781 | 9.944.429 | 10% | 9% |
| Total Revenue | 401.258.631 | 418.967.195 | 418.967.195 | 399.133.164 | 5% | 5% |
| (excluding capital transfers and contributions) | | | | | | |
| Transfers recognised - capital | 213.558 | 1.208.145 | 1.208.145 | 980.217 | | |
| Total Revenue | 401.472.189 | 420.175.340 | 420.175.340 | 400.113.380 | | |

TK.2

5.7 CAPITAL SPENDING ON THREE LARGEST PROJECTS

| TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2021/2022 | |
|--|---|
| Asset 1 | |
| Name | DC02_Fire Equipment |
| Description | Fire pumps and other equipment |
| Asset type | FIRE ENGINES |
| Key staff involved | |
| Staff responsibilities | |
| Asset value | R266 211 |
| Capital implications | |
| Future purpose of asset | |
| Describe key issues | |
| Policies in place to manage asset | Asset Management Policy |
| Asset 2 | |
| Name | DC02_High Volume Colour Photo Copy Machine_CL |
| Description | Printer |
| Asset type | COMPUTER EQUIPMENT |
| Key staff involved | |
| Staff responsibilities | |
| Asset value | R200 000 |
| Capital implications | |
| Future purpose of asset | |
| Describe key issues | |
| Policies in place to manage asset | Asset Management Policy |
| Asset 3 | |
| Name | DC02_High Volume Photo Copy Machine_CW Office |
| Description | Printer |
| Asset type | COMPUTER EQUIPMENT |
| Key staff involved | |
| Staff responsibilities | |
| Asset value | R200 000 |
| Capital implications | |
| Future purpose of asset | |
| Describe key issues | |
| Policies in place to manage asset | Asset Management Policy |

T5.3.2



COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.8 INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

The CWDM has no significant interest-bearing assets; hence income and operating cash flows are substantially independent of changes in market interest rates. The CWDM deposits cash surpluses with financial institutions of high quality and standing. The Cash Management and Investment Policy of the municipality is aimed at gaining the optimal return on investments, without incurring undue risks, during those periods when cash revenues are not needed for capital or operational purposes.

ANNUAL REPORT



5.9 CASH FLOW

| CASH FLOW OUTCOMES | | | | |
|--|---------------------|---------------------|---------------------|---------------------|
| R'000 | | | | |
| Description | 2020/2021 | 2021/2022 | | |
| | Audited Outcome | Approved Budget | Final Budget | Actual |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Receipts | | | | |
| Other Revenue | 104.735.848 | 133.113.526 | 133.113.526 | - |
| Government - operating | 245.614.284 | 257.323.800 | 257.323.800 | - |
| Government - capital | - | 162.145.00 | 162.145.00 | - |
| Interest | 44.275.772 | 41.000.000 | 41.000.000 | - |
| Payments | | | | |
| Suppliers and employees | -330.593.178 | -370.307.819 | -370.307.819 | - |
| Transfer and grants | -12.173.420 | -12.544.640 | -12.544.640 | - |
| | -342.766.598 | -382.852.459 | -382.852.459 | - |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | 51.859.306 | 48.747.012 | 48.747.012 | - |
| Cash flows from investing activities | | | | |
| Proceeds on disposal of PPE | - | 46.087.00 | 46.087.00 | - |
| Capital assets | 2.698.368.00 | -15.506.979 | -15.506.979 | 3.130.223.00 |
| NET CASH FROM/(USED) INVESTMENT ACTIVITIES | -2.698.368 | -15.460.892 | -15.460.892 | -3.130.223 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Receipts | | | | |
| Short-term Loans | - | - | - | - |
| Borrowing Long Term/Refinancing | - | - | - | - |
| Increase (Decrease) in Consumer Deposits | - | 20.000.00 | 20.000.00 | - |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | - | 20.000.00 | 20.000.00 | - |
| NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS | 49.160.938 | 33.266.120 | 33.266.120 | 3.130.223.00 |
| Cash/Cash Equivalents at the beginning of the Year | 716.992.699 | 766.153.639 | 766.153.639 | 766.153.639 |
| Cash/Cash Equivalents at the Year-end | 766.153.637 | 799.419.759 | 799.419.759 | 763.023.416 |

Source: MBRR SA7 T5.9.1

5.10 BORROWING AND INVESTMENTS

The CWDM has no outstanding loans.

The CWDM has an investment portfolio as at 30 June 2022 of R766m and the funds are invested only in A1 banks as per the Cash Management and Investment policy.

COMPONENT D: OTHER FINANCIAL MATTERS

5.11 SUPPLY CHAIN MANAGEMENT

Prescribed supply chain management processes and procedures as per the MFMA, sections 110 to 119 and the Supply Chain Management Regulations, 2005 are in place and maintained. Processes have been instituted to improve demand management, which in turn will ensure efficient and effective service delivery to all internal and external stakeholders.

Documentation and control in contract management, specifically on long-term contracts, remain a challenge and will be addressed in the course of this financial year. The CWDM endeavours to maintain an effective supplier database to acquire the necessary goods and services; however, it is reliant on the cooperation of the suppliers. All supply chain managers meet the prescribed unit standard competency area as per the Regulations on Minimum Competency Levels.

5.12 GRAP COMPLIANCE

The financial statements of the CWDM have been prepared in accordance with GRAP in terms of section 122(3) of the MFMA, including any interpretations, guidelines and directives issued by the Accounting Standards Board. Accounting policies for material transactions, events or conditions not covered by GRAP standards were developed in accordance with the hierarchy set out in paragraph 12 of GRAP 3.



CHAPTER 6 – AUDITOR-GENERAL’S FINDINGS

REFER TO ATTACHED REPORT.

Report of the auditor-general to the Western Cape Provincial Parliament and council on the Cape Winelands District Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Cape Winelands District Municipality set out on pages 6 to 103, which comprise the statement of financial position as at 30 June 2021, the statement of financial performance, statement of changes in net assets and cash flow statement and the statement of comparison of budget and actual amounts for the year then ended 30 June 2021, 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 Cape Winelands District Municipality as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 4 of 2020 (Dora).

Basis for opinion

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

Emphasis of matters

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

Restatement of corresponding figures

7. As disclosed in note 31 to the financial statements, the corresponding figures for 30 June 2020 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2021.

Underspending of budget

8. As disclosed in the statement of comparison of budget and actual amounts, the municipality materially underspent the budget per vote by R52 269 892.

Other matters

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

Unaudited supplementary schedules

10. The supplementary information set out on pages 104 to 110 does not form 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.

Unaudited disclosure notes

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, I do not express an opinion on it.

Responsibilities of the accounting officer for the financial statements

12. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with GRAP and the requirements of the MFMA, and for such internal control as the accounting determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
13. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

14. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Introduction and scope

16. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
17. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality’s approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
18. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objectives presented in the municipality’s annual performance report for the year ended 30 June 2021:

| Objectives | Pages in the annual performance report |
|--|---|
| Strategic objective 2 – promoting sustainable infrastructure services and a transport system which fosters social and economic opportunities | 11 – 12 |

19. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
20. I did not identify any material findings on the usefulness and reliability of the reported performance information for this objective:
 - Strategic objective 2 – promoting sustainable infrastructure services and a transport system which fosters social and economic opportunities.

Other matter

21. I draw attention to the matter below.

Achievement of planned targets

22. Refer to the annual performance report on pages 11 to 12 for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement of targets.

Report on the audit of compliance with legislation

Introduction and scope

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

25. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported in this auditor's report.
26. 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.
27. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
28. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, and if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

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.
30. 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 Cape Winelands District 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 communicate 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.



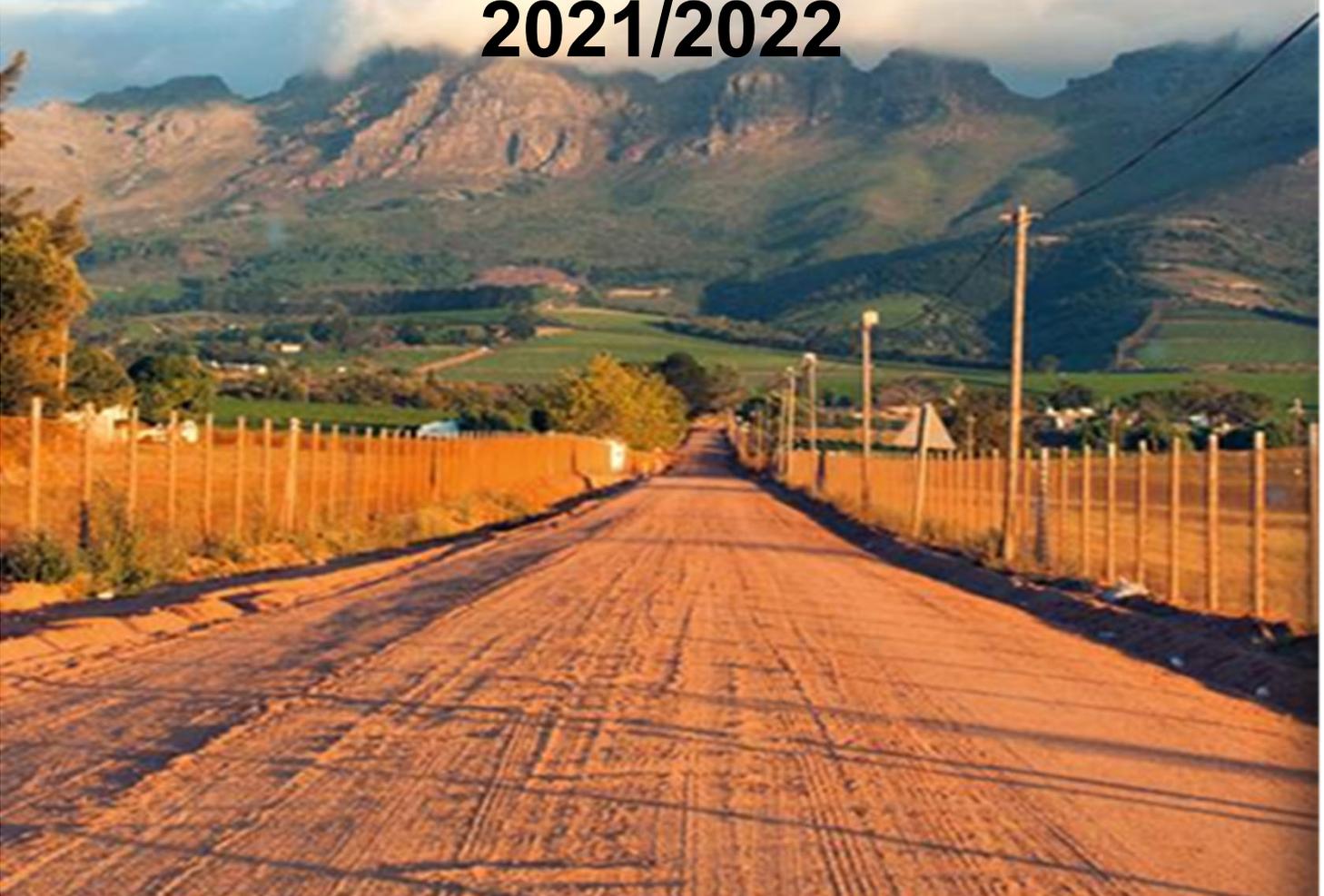
CHAPTER 7 – ANNUAL FINANCIAL STATEMENTS

REFER TO ATTACHED REPORT.



CAPE WINELANDS DISTRICT
MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

Audited Annual Financial Statements 2021/2022



Stellenbosch • Langeberg • Breede Valley • Witzenberg • Drakenstein

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

General Information

Legal form of entity

Municipality (MFMA)

The Cape Winelands District Municipality (Municipal code DC2) is a district municipality located in the Boland region of the Western Cape province of South Africa and include the category B municipalities of Witzenberg, Drakenstein, Stellenbosch, Breede Valley and Langeberg.

Nature of business and principal activities

The Municipality is a local authority that -

- a) Ensures comprehensive and equitable Municipal Health Services within the Cape Winelands;
- b) Ensures co-ordination of multi-disciplinary and sectorial disaster risk reduction through integrated institutional capacity for Disaster Risk Management, Disaster Risk Assessment, Response and Recovery;
- c) Provides effective planning and co-ordination of fire fighting services, prevention activities and training services throughout the Cape Winelands;
- d) Facilitates environmentally sustainable economic development and investment attraction as well as retention through the development and management of strategic partnerships;
- e) Facilitates skills development within the Cape Winelands District Municipality by means of knowledge management and social infrastructure investment;
- f) Facilitates the creation of sustainable jobs within the Cape Winelands through the provision and maintenance of economic infrastructure;
- g) Provides support and shared services to category B municipalities to facilitate economic development planning within the Cape Winelands;
- h) Increases access to safe and efficient public transport;
- i) Integrates service delivery for maximum impact;
- j) Creates opportunities for growth and development in rural areas;
- k) Co-ordinate the provision of financial, technical and administrative support services to category B municipalities within the Cape Winelands;
- l) Empowers vulnerable groups, build human capital and invest in social capital and rural development programmes;
- m) Enhances the planning of waste management services in the Cape Winelands.
- n) Facilitates planning co-ordination and spatial planning; and
- o) Ensures environmental management through biodiversity, water and natural resource management

Mayoral committee

Ald. (Dr) H VON SCHLICHT (MAYOR) (Appointed - 02/12/2021)
Ald. (Dr) H VON SCHLICHT (MAYOR) (Term ended - 08/11/2021)
Ald. M SAMPSON (DEPUTY MAYOR) (Appointed - 2/12/2021)
Cllr. D.D JOUBERT (SPEAKER) (Appointed - 02/12/2021)
Cllr. D SWART (Appointed - 02/12/2021)
Cllr. G.J CARINUS (Appointed - 02/12/2021)
Cllr. E GROENEWALD (Appointed - 02/12/2021)
Cllr. W.C PETERSEN (Appointed - 02/12/2021)
Cllr. X.L MDEMKA (Appointed - 02/12/2021)
Cllr. J.H.P STEYN (Appointed - 02/12/2021)
Ald. C MEYER (Appointed - 02/12/2021)

Other Councillors

Cllr. W.M BLOM (Appointed - 26/11/2021)
Cllr. D.D JOUBERT (Appointed from 09/11/2021 - 01/12/2021)
Ald. (Dr) H VON SCHLICHT (Appointed from 09/11/2021 - 01/12/2021)
Ald. C MEYER (Appointed from 09/11/2021 - 01/12/2021)
Cllr. G.J CARINUS (Appointed from 09/11/2021 - 01/12/2021)
Cllr. N.D SAUERMAN (Appointed - 26/11/2021)
Cllr. C.F WILSKUT (Appointed - 26/11/2021)

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

General Information

Cllr. G.J FREDERICKS (Appointed - 09/11/2021)
Cllr. W.M BLOM (Appointed - 26/11/2021)
Cllr. M.N KRIEL (Appointed - 09/11/2021)
Cllr. S GOEDEMAN (Appointed - 09/11/2021)
Cllr. V HANI (Appointed - 09/11/2021)
Cllr. M LIEBENBERG (Appointed - 09/11/2021)
Cllr. J MALITI (Appointed - 09/11/2021)
Cllr. T.R MPULANYANA (Appointed - 09/11/2021)
Cllr. L NGWANE (Appointed - 09/11/2021)
Cllr. A.J PEDRO (Appointed - 09/11/2021)
Cllr. M SMIT (Appointed - 09/11/2021)
Cllr. M.H YABO (Appointed - 09/11/2021)
Cllr. K ADAMS (Appointed - 26/11/2021)
Cllr. D.W NEL (Appointed -09/11/2021)
Cllr. E.G ARENDSE (Appointed - 26/11/2021)
Cllr. M.N. BUSHWANA (Appointed - 26/11/2021)
Cllr. C.O KLAASTE (Appointed - 26/11/2021)
Cllr. A.J DU PLESSIS (Appointed - 26/11/2021)
Cllr. R FARAO (Appointed - 26/11/2021)
Cllr. F JACOBS (Appointed - 26/11/2021)
Cllr. D.B JANSE (Appointed - 26/11/2021)
Cllr. J.S JANUARIE (Appointed - 26/11/2021)
Cllr. C MANUEL (Appointed - 26/11/2021)
Cllr. R NALUMANGO (Appointed - 26/11/2021)
Cllr. N PHATSOANE (Appointed - 26/11/2021)
Cllr. A.M RICHARDS (Appointed - 26/11/2021)
Cllr. J SMITH (Appointed - 26/11/2021)
Cllr. R SMUTS (Appointed - 26/11/2021)
Cllr. M VAN STADEN (Appointed - 26/11/2021)

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

General Information

In the course of the reporting period, the following councillors ceased to be political office-bearers:

Cllr. D SWART (DEPUTY MAYOR)(Term ended - 08/11/2021)
Cllr. J.J DU PLESSIS (Term ended -08/11/2021)
Cllr. L.W NIEHAUS (Term ended - 08/11/2021)
Cllr. A FLORENCE (Term ended - 08/11/2021)
Cllr. P.C RAMOKHABI (Term ended -08/11/2021)
Cllr. J.D.F VAN ZYL (Term ended -08/11/2021)
Cllr. L LANDU (Term ended - 08/11/2021)
Cllr. Z.L MASOKA (Term ended -08/11/2021)
Cllr. C DAMENS (Term ended - 08/11/2021)
Cllr. X KALIPA (Term ended - 08/11/2021)
Cllr. J.S MOUTON (Term ended - 08/11/2021)
Cllr. A CROMBIE (Term ended - 08/11/2021)
Cllr. J.J VAN ROOYEN (Term ended - 08/11/2021)
Cllr. C STEYN (Term ended -08/11/2021)
Cllr. E QHANKQISO (Term ended - 08/11/2021)
Cllr. B.B NTSHINGILA (Term ended -08/11/2021)
Cllr. W.M BLOM (Term ended - 08/11/2021)
Cllr. S.S MAGQAZANA (Term ended -08/11/2021)
Cllr. D.R.A SNYDERS (Term ended - 08/11/2021)
Ald. J.W SCHUURMAN (Term ended - 08/11/2021)
Cllr. M.T KLAAS (Term ended - 08/11/2021)
Cllr. R DU TOIT (Term ended -08/11/2021)
Cllr. L.N QOBA (Term ended - 08/11/2021)
Cllr. W VROLICK (Term ended - 08/11/2021)
Cllr. R.S NALUMANGO (Term ended -08/11/2021)
Cllr. P DANIELS (Term ended - 08/11/2021)
Cllr. A.J SHIBILI (Term ended -08/11/2021)
Cllr. C.F WILSKUT (Term ended - 08/11/2021)
Cllr. L.S SAMBOKWE (Term ended -08/11/2021)
Cllr. N TETANA (Term ended - 08/11/2021)
Cllr. S.C RENS (Term ended - 08/11/2021)
Cllr. J SMIT (Term ended -08/11/2021)
Cllr. N.D SAUERMAN (Term ended - 08/11/2021)
Cllr. M.N BUSHWANA (Term ended - 08/11/2021)
Cllr. T.M WEHR (Term ended - 08/11/2021)
Cllr. K. ADAMS (Resigned - 09/06/2022)

Grading of local authority

GRADE 4
MEDIUM CAPACITY

Municipal Manager

H.F PRINS

Chief Financial Officer (CFO)

F.A DU RAAN - GROENEWALD

Registered office

46 ALEXANDER STREET
STELLENBOSCH
7600

Postal address

P.O.BOX 100
STELLENBOSCH

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

General Information

| | |
|------------------|--|
| | 7599 |
| Telephone | 0861 265 263 |
| Bankers | NEDBANK |
| Auditors | AUDITOR GENERAL OF SOUTH AFRICA (AGSA) |

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

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The reports and statements set out below comprise the financial statements presented to the council:

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Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

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| | |
|---------|---|
| ASB | Accounting Standards Board |
| CIlr | Councillor |
| CPI | Consumer Price Index |
| CRR | Capital Replacement Reserve |
| CWDM | Cape Winelands District Municipality |
| GRAP | South African Standards of Generally Recognised Accounting Practice |
| IAS | International Accounting Standards |
| IASB | International Accounting Standards Board |
| IPSAS | International Public Sector Accounting Standards |
| JSE | Johannesburg Stock Exchange |
| LG SETA | Local Government Sector Education and Training Authority |
| mSCOA | municipal Standard Chart of Accounts |
| MFMA | Municipal Finance Management Act (Act 56 of 2003) |
| PPPFA | Preferential Procurement Policy Framework Act |
| RPAMS | Rural Roads Asset Management System |
| PRMA | Post Retirement Medical Aid |
| VAT | Value-Added Tax |
| WCA | Workmen's Compensation Assistance |
| WCPG | Western Cape Provincial Government |

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

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 financial statements and related financial information, included in this report. It is the responsibility of the accounting officer to ensure that the 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 engaged to express an independent opinion on the financial statements and was given unrestricted access to all financial records and related data.

The financial statements have been prepared in accordance with GRAP including any interpretations, guidelines and directives issued by the ASB.

The financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

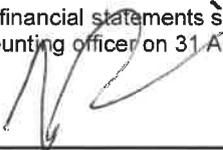
The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer 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 that the municipality's business is conducted 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 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 2023 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

Although the accounting officer is primarily responsible for the financial affairs of the municipality, the accounting officer is supported by the municipality's internal auditors.

The financial statements set out on page 5 - 99, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2022.



Accounting Officer
HF PRINS

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Statement of Financial Position as at 30 June 2022

| Figures in Rand | Note(s) | 2022 | 2021 Restated* |
|--|---------|--------------------|--------------------|
| Assets | | | |
| Current Assets | | | |
| Cash and cash equivalents | 3 | 790,328,779 | 766,153,639 |
| Other receivables from exchange transactions | 4 | 46,814,055 | 21,300,098 |
| Trade receivables from exchange transactions | 5 | - | 60,986 |
| Inventories | 6 | 1,978,517 | 2,761,197 |
| VAT receivable | 7 | 2,455,080 | 1,715,323 |
| Receivables from non-exchange transactions | 8 | 122,441 | 83,869 |
| Employee benefit asset | 13 | 2,721,827 | 2,480,000 |
| | | 844,420,699 | 794,555,112 |
| Non-Current Assets | | | |
| Property, plant and equipment | 9 | 147,967,023 | 154,720,923 |
| Intangible assets | 10 | 566,615 | 658,926 |
| Employee benefit asset | 13 | 5,212,822 | 8,075,196 |
| | | 153,746,460 | 163,455,045 |
| Non-Current Assets | | 153,746,460 | 163,455,045 |
| Current Assets | | 844,420,699 | 794,555,112 |
| Total Assets | | 998,167,159 | 958,010,157 |
| Liabilities | | | |
| Current Liabilities | | | |
| Unspent conditional grants and receipts | 11 | 5,776,226 | 5,335,321 |
| Payables from exchange transactions | 12 | 4,912,888 | 7,421,619 |
| Employee benefit obligation | 13 | 37,067,065 | 35,622,748 |
| Provisions | 15 | 43,276 | 6,440 |
| | | 47,799,455 | 48,386,128 |
| Non-Current Liabilities | | | |
| Employee benefit obligation | 13 | 149,836,320 | 144,709,001 |
| Non-Current Liabilities | | 149,836,320 | 144,709,001 |
| Current Liabilities | | 47,799,455 | 48,386,128 |
| Total Liabilities | | 197,635,775 | 193,095,129 |
| Assets | | 998,167,159 | 958,010,157 |
| Liabilities | | (197,635,775) | (193,095,129) |
| Net Assets | | 800,531,384 | 764,915,028 |
| Accumulated surplus | 14 | 800,531,384 | 764,915,028 |

* See Note 32



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Statement of Financial Performance

| Figures in Rand | Note(s) | 2022 | 2021 Restated* |
|---|---------|----------------------|----------------------|
| Revenue | | | |
| Revenue from exchange transactions | | | |
| Service charges | 16 | 182,762 | 194,644 |
| Rental of facilities and equipment | 17 | 229,048 | 238,615 |
| Roads services | 18 | 105,635,889 | 105,032,933 |
| Other income | 19 | 1,311,127 | 1,216,118 |
| Interest received - investment | 20 | 40,295,365 | 38,231,810 |
| Total revenue from exchange transactions | | 147,654,191 | 144,914,120 |
| Revenue from non-exchange transactions | | | |
| Transfer revenue | | | |
| Government grants and subsidies | 21 | 253,274,643 | 245,597,044 |
| Public contributions and donations | 22 | 938,667 | 17,240 |
| Total revenue from non-exchange transactions | | 254,213,310 | 245,614,284 |
| | | 147,654,191 | 144,914,120 |
| | | 254,213,310 | 245,614,284 |
| Total revenue | | 401,867,501 | 390,528,404 |
| Expenditure | | | |
| Employee related costs | 23 | (206,152,202) | (197,071,150) |
| Remuneration of councillors | 24 | (12,744,505) | (12,657,183) |
| Depreciation and amortisation | 25 | (9,801,055) | (9,238,318) |
| Finance costs | 27 | (13,896,000) | (16,985,000) |
| Lease rentals on operating lease | | (298,157) | (338,536) |
| Debt impairment | 26 | (113,215) | (32,597) |
| Transfers and Subsidies | 28 | (16,988,386) | (12,173,420) |
| Contracted services | 29 | (33,225,096) | (31,707,477) |
| Loss on disposal of assets | | (132,468) | (167,052) |
| Inventories losses/write-downs | | (49,320) | (91,017) |
| General Expenses | 30 | (72,850,740) | (73,634,690) |
| Total expenditure | | (366,251,144) | (354,096,440) |
| Total revenue | | 401,867,501 | 390,528,404 |
| Total expenditure | | (366,251,144) | (354,096,440) |
| Surplus for the year | | 35,616,357 | 36,431,964 |

* See Note 32



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Statement of Changes in Net Assets

| Figures in Rand | Accumulated surplus / (deficit) | Total net assets |
|--|---------------------------------|--------------------|
| Opening balance as previously reported | 728,483,064 | 728,483,064 |
| Balance at 30 June 2020 | 728,483,064 | 728,483,064 |
| Changes in net assets | | |
| Prior period error | 9,724,668 | 9,724,668 |
| Surplus for the year | 26,707,296 | 26,707,296 |
| Total changes | 36,431,964 | 36,431,964 |
| Restated* Balance at 30 June 2021 | 764,915,027 | 764,915,027 |
| Changes in net assets | | |
| Surplus for the year | 35,616,357 | 35,616,357 |
| Total changes | 35,616,357 | 35,616,357 |
| Balance at 30 June 2022 | 800,531,384 | 800,531,384 |
| Note(s) | 14 & 32 | |

* See Note 32

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Cash Flow Statement

| Figures in Rand | Note(s) | 2022 | 2021 Restated* |
|---|---------|---------------------------|---------------------------|
| Cash flows from operating activities | | | |
| Receipts | | | |
| Sale of goods and services | | 86,557,801 | 104,735,848 |
| Grants | | 253,284,230 | 245,614,284 |
| Interest income | | 34,764,396 | 44,275,772 |
| | | <u>374,606,427</u> | <u>394,625,904</u> |
| Payments | | | |
| Employee costs | | (210,868,544) | (207,635,421) |
| Suppliers | | (121,649,870) | (122,394,324) |
| Other payments: Remuneration to Councillors | | (12,744,504) | (12,657,183) |
| | | <u>(345,262,918)</u> | <u>(342,686,928)</u> |
| Net cash flows from operating activities | 33 | <u>29,343,509</u> | <u>51,938,976</u> |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 9 | (5,176,301) | (2,698,368) |
| Proceeds from sale of property, plant and equipment | 9 | 46,089 | - |
| Purchase of other intangible assets | 10 | (38,157) | (79,668) |
| | | <u>(5,168,369)</u> | <u>(2,778,036)</u> |
| Net increase/(decrease) in cash and cash equivalents | | 24,175,140 | 49,160,940 |
| Cash and cash equivalents at the beginning of the year | | 766,153,639 | 716,992,699 |
| Cash and cash equivalents at the end of the year | 3 | <u>790,328,779</u> | <u>766,153,639</u> |

* See Note 32

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

| | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|--|-----------------|-------------|--------------|------------------------------------|--|-----------|
|--|-----------------|-------------|--------------|------------------------------------|--|-----------|

Figures in Rand

Statement of Financial Performance

Revenue

Revenue from exchange transactions

| | | | | | | |
|------------------------------------|-------------|---------|-------------|-------------|-------------|--------------|
| Rental of facilities and equipment | 240,000 | - | 240,000 | 229,048 | (10,952) | |
| Interest received - investment | 41,000,000 | - | 41,000,000 | 40,295,365 | (704,635) | |
| Licences and permits | 653,000 | - | 653,000 | 739,566 | 86,566 | Note 44 & 45 |
| Agency services | 107,443,297 | - | 107,443,297 | 106,979,783 | (463,514) | Note 44 |
| Transfers and subsidies | 258,641,529 | 9,588 | 258,651,117 | 253,668,691 | (4,982,426) | Note 44 |
| Other revenue | 10,989,369 | (9,588) | 10,979,781 | 9,691,259 | (1,288,522) | Note 44 & 45 |

| | | | | | | |
|--|--------------------|----------|--------------------|--------------------|--------------------|--|
| Total Revenue (excluding capital transfers and contributions) | 418,967,195 | - | 418,967,195 | 411,603,712 | (7,363,483) | |
|--|--------------------|----------|--------------------|--------------------|--------------------|--|

Expenditure

| | | | | | | |
|-------------------------------|---------------|-----------|---------------|---------------|------------|---------|
| Employee related costs | (230,972,967) | - | (230,972,967) | (218,978,840) | 11,994,127 | Note 44 |
| Remuneration of councillors | (13,232,003) | - | (13,232,003) | (12,744,506) | 487,497 | |
| Debt impairment | (150,000) | 29,700 | (120,300) | (113,215) | 7,085 | |
| Depreciation and amortisation | (9,876,320) | - | (9,876,320) | (9,801,055) | 75,265 | |
| Inventory consumed | (23,651,381) | 64,827 | (23,586,554) | (21,452,352) | 2,134,202 | Note 44 |
| Contracted Services | (54,071,958) | 296,477 | (53,775,481) | (33,225,096) | 20,550,385 | Note 45 |
| Transfers and Subsidies | (18,412,500) | (241,608) | (18,654,108) | (16,988,386) | 1,665,722 | |
| Other expenditure | (69,796,211) | (14,315) | (69,810,526) | (63,534,832) | 6,275,694 | Note 44 |
| Losses | (12,000) | (135,081) | (147,081) | (132,468) | 14,613 | |

| | | | | | | |
|--------------------------|----------------------|----------|----------------------|----------------------|-------------------|--|
| Total expenditure | (420,175,340) | - | (420,175,340) | (376,970,750) | 43,204,590 | |
|--------------------------|----------------------|----------|----------------------|----------------------|-------------------|--|

| | | | | | | |
|---|--------------------|----------|--------------------|-------------------|-------------------|--------------|
| Surplus/ (Deficit) | (1,208,145) | - | (1,208,145) | 34,632,962 | 35,841,107 | |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | 1,208,145 | - | 1,208,145 | 54,315 | (1,153,830) | Note 44 & 45 |
| Transfers and subsidies - capital (in-kind) | - | - | - | 929,080 | 929,080 | Note 44 & 45 |

| | | | | | | |
|--------------------------------------|----------|----------|----------|-------------------|-------------------|--|
| Surplus/ Deficit for the year | - | - | - | 35,616,357 | 35,616,357 | |
|--------------------------------------|----------|----------|----------|-------------------|-------------------|--|

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

| | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|---|--------------------|-------------|--------------------|------------------------------------|--|--------------|
| Figures in Rand | | | | | | |
| Statement of Financial Position | | | | | | |
| Assets | | | | | | |
| Current Assets | | | | | | |
| Cash | 20,919,759 | - | 20,919,759 | 6,828,779 | (14,090,980) | Note 44 & 45 |
| Call investments deposits | 778,500,000 | - | 778,500,000 | 783,500,000 | 5,000,000 | Note 44 |
| Consumer debtors | 921,175 | - | 921,175 | 26,918,529 | 25,997,354 | Note 44 & 45 |
| Other debtors | 16,213,113 | - | 16,213,113 | 22,360,155 | 6,147,042 | Note 44 & 45 |
| Current portion of long term-receivable | 910,196 | - | 910,196 | 2,721,827 | 1,811,631 | Note 45 |
| Inventories | 2,072,700 | - | 2,072,700 | 1,978,517 | (94,183) | |
| | 819,536,943 | - | 819,536,943 | 844,307,807 | 24,770,864 | |
| Non-Current Assets | | | | | | |
| Property, plant and equipment | 158,884,181 | - | 158,884,181 | 147,967,023 | (10,917,158) | |
| Intangible assets | 2,034,657 | - | 2,034,657 | 566,615 | (1,468,042) | Note 45 |
| Other non- current assets | - | - | - | 5,212,822 | 5,212,822 | Note 45 |
| | 160,918,838 | - | 160,918,838 | 153,746,460 | (7,172,378) | |
| Non-Current Assets | 819,536,943 | - | 819,536,943 | 844,307,807 | 24,770,864 | |
| Current Assets | 160,918,838 | - | 160,918,838 | 153,746,460 | (7,172,378) | |
| Total Assets | 980,455,781 | - | 980,455,781 | 998,054,267 | 17,598,486 | |
| Liabilities | | | | | | |
| Current Liabilities | | | | | | |
| Consumer deposits | - | - | - | 20,000 | 20,000 | Note 44 & 45 |
| Trade and other payables | 7,834,463 | - | 7,834,463 | 13,133,060 | 5,298,597 | Note 44 & 45 |
| Provisions | 43,910,085 | - | 43,910,085 | 34,533,508 | (9,376,577) | Note 44 & 45 |
| | 51,744,548 | - | 51,744,548 | 47,686,568 | (4,057,980) | |
| Non-Current Liabilities | | | | | | |
| Provisions | 173,520,877 | - | 173,520,877 | 149,836,319 | (23,684,558) | Note 45 |
| Total Liabilities | 225,265,425 | - | 225,265,425 | 197,522,887 | (27,742,538) | |
| Net Assets | 755,190,356 | - | 755,190,356 | 800,531,380 | 45,341,024 | |
| Reserves | | | | | | |
| Reserves | 65,457,034 | - | 65,457,034 | 79,307,027 | 13,849,993 | Note 44 & 45 |
| Accumulated surplus | 689,733,322 | - | 689,733,322 | 721,224,353 | 31,491,031 | Note 44 |

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

| | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|---|----------------------|-------------|----------------------|------------------------------------|--|--------------|
| Figures in Rand | | | | | | |
| Cash Flow Statement | | | | | | |
| Cash flows from operating activities | | | | | | |
| Receipts | | | | | | |
| Other Revenue | 133,113,526 | - | 133,113,526 | 86,557,801 | (46,555,725) | Note 45 |
| Government - operating | 257,323,800 | - | 257,323,800 | 253,284,230 | (4,039,570) | |
| Government - capital | 162,145 | - | 162,145 | - | (162,145) | Note 45 |
| Interest | 41,000,000 | - | 41,000,000 | 34,764,396 | (6,235,604) | Note 45 |
| | 431,599,471 | - | 431,599,471 | 374,606,427 | (56,993,044) | |
| Payments | | | | | | |
| Suppliers and employees | (370,307,819) | - | (370,307,819) | (328,274,532) | 42,033,287 | Note 44 & 45 |
| Transfer and grants | (12,544,640) | - | (12,544,640) | (16,988,386) | (4,443,746) | Note 44 & 45 |
| | (382,852,459) | - | (382,852,459) | (345,262,918) | 37,589,541 | |
| Net cash flows from operating activities | 48,747,012 | - | 48,747,012 | 29,343,509 | (19,403,503) | |
| Cash flows from investing activities | | | | | | |
| Capital assets | (15,506,979) | - | (15,506,979) | (5,214,458) | 10,292,521 | Note 45 |
| Proceeds from sale of property, plant and equipment | 46,087 | - | 46,087 | 46,089 | 2 | |
| Purchase of intangible assets | - | - | - | - | - | |
| Net cash flows from investing activities | (15,460,892) | - | (15,460,892) | (5,168,369) | 10,292,523 | |
| Cash flows from financing activities | | | | | | |
| Increase/ (decrease) in consumer deposits | (20,000) | - | (20,000) | - | 20,000 | Note 45 |
| Net increase in cash and cash equivalents | 33,266,120 | - | 33,266,120 | 24,175,140 | 9,090,978 | |
| Cash and cash equivalents at the beginning of the year | 766,153,639 | - | 766,153,639 | 766,153,639 | - | |
| Cash and cash equivalents at the end of the year | 799,419,759 | - | 799,419,759 | 790,328,779 | 9,090,978 | |

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

1. Presentation of Financial Statements

The annual financial statements have been prepared in accordance with the GRAP, issued by the ASB 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 have been rounded to the nearest Rand.

These annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by GRAP.

A summary of the significant accounting policies, which have been consistently applied with the previous period in the preparation of these annual financial statements, are disclosed below.

1.1 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. In determining whether an impairment loss should be recorded in surplus or deficit, the municipality makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for receivables is calculated on an individual basis. 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.

Impairment testing

The recoverable (service) 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:

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.

Value in use of non-cash generating assets:

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. 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.

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. This estimate is based on historical data collected by the municipality. The estimate is based on the pattern in which an asset's future economic benefits or service potential are expected to be consumed by the municipality.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Accounting Policies

1.1 Significant judgements and sources of estimation uncertainty (continued)

Post-retirement benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. 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 post-retirement obligations. The most appropriate discount rate that reflects the time value of money is with reference to market yields at the reporting date on government bonds. Where there is no deep market in government bonds with a sufficient long maturity to match the estimated maturity of all 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 pension obligations are based on current market conditions. Additional information is disclosed in Note 13.

Effective interest rate

The municipality used the prime lending rate to discount future cash flows.

Allowance for impairment

For receivables an impairment loss is recognised 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.

Allowance for slow moving, damaged and obsolete inventory

An allowance has been made for inventory 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 on certain inventory items. The write down is included in note 6.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 15.

Impairment of statutory receivables

If there is an indication that a statutory receivable, may be impaired, the municipality recognises an impairment loss. The impairment loss is measured 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, are reduced, either directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

Accounting by principals and agents

The municipality makes assessments on whether it is the principal or agent in principal-agent relationships.

1.2 Reserves

Internal ring fenced reserves

Capital replacement reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/(deficit) to the CRR. The amount transferred to the CRR is based on the municipality's need to finance future capital projects included in the IDP. The CRR is reduced and the accumulated surplus/(deficit) is credited by a corresponding amount when funds from the CRR are utilised.

- The cash is invested until it is utilised. The cash may only be invested in accordance with the Cash Management and Investments Policy of the municipality.
- Interest earned on the CRR investment is recorded as part of the total interest earned in the Statement of Financial Performance, whereafter such interest may be transferred from accumulated surplus to CRR.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Accounting Policies

1.2 Reserves (continued)

- The CRR may only be utilised for the purpose of purchasing items of property, plant and equipment for the municipality and may not be used for the maintenance of these items.
- If gains or losses are made on the sale of assets, these are reflected in the Statement of Financial Performance.

Government grant reserve

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus to the Government Grants Reserve equal to the Government Grant recorded as revenue in the statement of financial performance in accordance with a directive issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus. The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus.

When an item of property, plant and equipment financed from government grants is disposed of, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus.

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. Prior year adjustments, relating to income and expenditure, are debited/credit against accumulated surplus when retrospective adjustments are made.

1.3 Cash and cash equivalents

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with a maturity period of between three and twelve months and are subject to an insignificant risk of change in value. Cash and cash equivalents recorded at amortised cost in the annual financial statements approximate their fair values.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and cash with bank, net of bank overdrafts. Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

Amounts recovered from the WCPG in respect of the future medical liability of the road staff are included in the balance of cash and cash equivalents.

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 supply of 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 of the item can be measured reliably.

Property, plant and equipment is 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 at no cost, or for a nominal cost, the cost is considered to be the fair value as at date of acquisition.

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.

Cape Winelands District Municipality

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Accounting Policies

1.4 Property, plant and equipment (continued)

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.

Subsequent to initial recognition, items of property, plant and equipment are measured as follows:

- (i) Plant and machinery - at cost less accumulated depreciation and accumulated impairment losses; and
- (ii) Buildings - at cost less accumulated depreciation and accumulated impairment losses.

Depreciation

Depreciation is calculated using the straight line method, over the estimated useful lives to their estimated residual value of the assets. The depreciation rates are based on the following estimated useful lives for the current and comparative years:

The useful lives of items of property, plant and equipment have been assessed as follows:

| Item | Depreciation method | Estimated useful life |
|-------------------------------------|---------------------|-----------------------|
| Buildings | Straight line | 30-65 |
| Infrastructure | Straight line | 15-55 |
| Furniture and fixtures | Straight line | 3-35 |
| Motor vehicles | Straight line | 5-35 |
| Office equipment | Straight line | 3-30 |
| Plant and machinery | Straight line | 3-50 |
| Other property, plant and equipment | Straight line | 3-50 |
| Leased assets | Straight line | 5-10 |

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

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 method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

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.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 9).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 9).

Expected useful life

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Accounting Policies

1.4 Property, plant and equipment (continued)

In assessing whether there is any indication that the expected useful life of an asset has changed, the municipality considers the following indications:

- (a) The composition of the asset changed during the reporting period, i.e. the significant components of the asset changed.
- (b) The use of the asset has changed, because of the following:
 - (i) The entity has changed the manner in which the asset is used.
 - (ii) The entity has changed the utilisation rate of the asset.
 - (iii) The entity has made a decision to dispose of the asset in a future reporting period(s) such that this decision changes the expected period over which the asset will be used.
 - (iv) Technological, environmental, commercial or other changes that occurred during the reporting period that have, or will, change the use of the asset.
 - (v) Legal or similar limits placed on the use of the asset have changed.
 - (vi) The asset was idle or retired from use during the reporting period.
- (c) The asset is approaching the end of its previously expected useful life.
- (d) Planned repairs and maintenance on, or refurbishments of, the asset and/or its significant components either being undertaken or delayed.
- (e) Environmental factors, e.g. increased rainfall or humidity, adverse changes in temperatures or increased exposure to pollution.
- (f) There is evidence that the condition of the asset improved or declined based on assessments undertaken during the reporting period.

1.5 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity 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.

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.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired at no cost, or for a nominal cost, its cost is its fair value at the date of acquisition.

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

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Accounting Policies

1.5 Intangible assets (continued)

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 |
|--------------------------|--------------|
| Computer software, other | 3 - 15 years |

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 is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised.

1.6 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's heritage assets are culturally significant resources. These assets, in addition to meeting the definition of a Heritage asset, are currently in use as office accommodation and therefore meets the definition of Property, Plant and Equipment.

Heritage assets are not recognised as a heritage asset even though the definition of a heritage asset is met, because a significant portion is applied for administrative purposes.

Heritage assets are accounted for in accordance with GRAP on Property, Plant and Equipment (GRAP 17). Refer to note 1.4

The municipality has the following registered Heritage Assets:

- Building at 46 Alexander Street, Stellenbosch was declared as a Provincial Heritage site on 8 September 1967.
- Building at 194 Main Road, Paarl.

Impairment

On an annual basis the municipality assess heritage assets for any indications of impairment. The municipality uses the following guidance provided by GRAP 21 and 26 (Impairment of cash and non-cash generated assets). The indicators for impairment may include but are not limited to:

External sources:

Changes in the market- if there is a significant decrease in the market value of the similar item;

Changes in the market- absence of an active market for a revalued heritage asset for example if the supplier has been liquidated, .

Internal sources:

Significant change with an adverse effect on the entity- spare parts are no longer available and changes in technology took place.

Physical damage to the heritage asset or prolonged deterioration affecting its value.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Accounting Policies

1.7 Changes in accounting policies, estimates errors

Changes in accounting policies that are affected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality restates the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Correction of errors are applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality restates the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Refer to applicable note to the annual financial statements for details of corrections of errors recorded during the period under review.

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.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

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 entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

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.

All financial assets measured at amortised cost are subject to an impairment review.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectability in the case of a financial asset.

A concessionary loan is a loan granted to or received by a municipality on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Accounting Policies

1.8 Financial instruments (continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, a municipality shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the municipality shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

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.

A financial asset is:

- cash
- a residual interest of another municipality
- a contractual right to:
 - receive cash or another financial asset from another municipality; or
 - exchange financial assets or financial liabilities with another municipality under conditions that are potentially favourable to the municipality.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another municipality; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the municipality.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by a municipality in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

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

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the municipality had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the municipality designates at fair value at initial recognition; or
- are held for trading.

Accounting Policies

1.8 Financial instruments (continued)

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Reclassification

The municipality does not reclassify a financial instrument while it is issued or held unless it is:

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

Where the municipality cannot reliably measure the fair value of an embedded derivative that has been separated from a host contract that is a financial instrument at a subsequent reporting date, it measures the combined instrument at fair value. This requires a reclassification of the instrument from amortised cost or cost to fair value.

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the municipality reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the municipality reclassifies the instrument from cost to fair value.

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 entity 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, a 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, 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.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Accounting Policies

1.8 Financial instruments (continued)

Impairment and uncollectibility of financial assets

The entity assess 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.

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 recognised at revenue.

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 :
 - derecognise the asset; and
 - recognise 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, expires 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.

Accounting Policies

1.9 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.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

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 this Standard) for a statutory receivable 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 policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the 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 entity 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.

Other charges

Where the municipality is required or entitled in terms of legislation, supporting regulations, by-laws or similar means to levy additional charges on overdue or unpaid amounts, and such charges are levied, the entity applies the principles as stated in "Accrued interest" above, as well as the relevant 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:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor 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.

Cape Winelands District Municipality

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Accounting Policies

1.9 Statutory receivables (continued)

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, either directly or through the use of an allowance account. The amount of the losses are recognised in surplus or deficit.

In estimating the future cash flows, an municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or 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 entity:
 - derecognise the receivable; and
 - recognise 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 entity considers whether any newly created rights and obligations are within the scope of 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.

1.10 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 entity assesses the classification of each element separately.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the prime lending rate.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Cape Winelands District Municipality

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Accounting Policies

1.10 Leases (continued)

The difference between the amounts recognised as revenue and the contractual receipts 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.

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.

1.11 Inventories

Inventories consist of unsold properties and consumables.

Initial measurement

Inventories are initially measured at cost. Cost of inventories comprises all costs incurred in bringing the inventories to their present location and condition. Where inventories are acquired at no cost or for nominal consideration, the cost is deemed to be the fair value as at the date of acquisition. Direct costs relating to unsold properties are accumulated for each separately identifiable development.

Subsequent measurement

Unsold properties and consumables to be distributed at no or nominal consideration are subsequently measured at the lower of cost and current replacement cost.

Roads inventory to be distributed at no or nominal consideration or to be consumed in the production process of goods to be distributed at no or nominal consideration are subsequently measured at the lower of cost and current replacement cost.

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 weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

Derecognition

The municipality derecognises unsold low cost housing contained in inventory when construction of such properties has been completed and occupation of houses taken by the beneficiaries. At date of derecognition, the expense is recognised in the Statement of Financial Performance.

Cape Winelands District Municipality

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Accounting Policies

1.11 Inventories (continued)

When other inventories are utilised or consumed, the carrying amounts 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.

1.12 Grants in Aid

The municipality annually awards grants to organisations in terms of Section 67 of the MFMA. 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.

1.13 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 will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose 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.

1.14 Budget information

The municipality is subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

The approved budget covers the period from 01/07/2021 to 30/06/2022.

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 as prescribed in GRAP 24.

A comparison of actual versus budgeted revenue and expenditure is disclosed in the Statement of Comparison of Budget and actual amounts and reasons for variances in excess of 10%.

1.15 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.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Cape Winelands District Municipality

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Accounting Policies

1.15 Related parties (continued)

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

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.

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the municipality to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its financial statements.

1.16 Value added Tax

The municipality is registered with the South African Revenue Services (SARS) for VAT on the invoice basis, in accordance with Section 15(1) of the VAT Act (Act No. 89 of 1991).

1.17 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

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

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

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

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

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Judgements made by management in applying the criteria to designate assets as cash-generating assets or non-cash-generating assets, are as follows:

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

Cape Winelands District Municipality

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Accounting Policies

1.17 Impairment of cash-generating assets (continued)

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.

Value in use

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

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 prime lending rate and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

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. The 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. The municipality use 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.

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 entity 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.

Accounting Policies

1.17 Impairment of cash-generating assets (continued)

Reversal of impairment loss

The municipality assess 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 entity 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.

1.18 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.

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

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 current 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.

Accounting Policies

1.18 Impairment of non-cash-generating assets (continued)

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 oversized or overcapacity asset. Oversized 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.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in GRAP.

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 assess 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.

1.19 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 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.

A provision is used only for expenditures for which the provision was originally recognised.

Cape Winelands District Municipality

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Accounting Policies

1.19 Provisions and contingencies (continued)

Provisions shall not be recognised for deficits from future operating activities.

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.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 39.

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:

- 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
- a present obligation that arises from past events but is not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation;
 - the amount of the obligation cannot be measured with sufficient reliability.

1.20 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 should be 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 entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.21 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

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.

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.

Agency fees are recognised to the extent of work performed.

Cape Winelands District Municipality

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Accounting Policies

1.21 Revenue from exchange transactions (continued)

Interest

Revenue arising from the use by others of municipal assets yielding interest 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 method.

1.22 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an municipality, which represents an increase in net assets.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

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.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

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 nonexchange 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 a condition is satisfied, the amount of the reduction in the liability is recognised as revenue

Transfers

Apart from Services in kind, which are not recognised, 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.

Cape Winelands District Municipality

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Accounting Policies

1.22 Revenue from non-exchange transactions (continued)

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.

1.23 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.24 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. Refer to notes 31 for detail.

1.25 Unauthorised expenditure

Unauthorised expenditure means any expenditure incurred by the municipality otherwise than in accordance with section 15 or 11(3) of the Municipal Finance Management Act (Act No. 56 of 2003), and includes:

- overspending of the total amount appropriated in the municipality's approved budget;
- overspending of the total amount appropriated for a vote in the approved budget;
- expenditure from a vote unrelated to the department or functional area covered by the vote;
- expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or
- a grant by the municipality otherwise than in accordance with the MFMA.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.26 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.

1.27 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure.

All expenditure relating to irregular expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.28 Employee benefits

Employee benefits are all forms of consideration given by a entity in exchange for services rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in GRAP) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting municipality, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or

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Accounting Policies

1.28 Employee benefits (continued)

- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- a entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for services rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

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 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 service to the entity during a reporting period, the entity recognise 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 entity recognise 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 entity measure 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 entity 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 an 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.

Cape Winelands District Municipality

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Accounting Policies

1.28 Employee benefits (continued)

Long term receivable

When, and only when, it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, a municipality shall recognise its right to reimbursement as a separate asset. The municipality shall measure the asset at fair value. In all other respects, the municipality shall treat that asset in the same way as plan assets. In the statement of financial performance, the expense relating to a defined benefit plan may be presented net of the amount recognised for a reimbursement.

The municipality recognised a long term receivable relating to the recoveries from the Department of Transport and Public Works in respect of the post-employment medical benefit relating to the roads staff.

The assumptions used by the actuaries to calculate the portion of the roads staff are the same as that used to calculate the amount of the liability relating to the post-employment medical aid.

Multi-employer plans

The entity classifies a multi-employer plan 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 benefit plan, the entity 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 entity account for the plan as if it was a defined contribution plan.

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 entity recognise actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Assets held by a long-term employee benefit fund are assets (other than non-transferable financial instruments issued by the reporting entity) that are held by an entity (a fund) that is legally separate from the reporting entity and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting entity's own creditors (even in liquidation), and cannot be returned to the reporting entity, unless either:

- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting entity; or
- the assets are returned to the reporting entity to reimburse it for employee benefits already paid.

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 entity recognise past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise 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.

Accounting Policies

1.28 Employee benefits (continued)

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 measure the resulting asset at the lower of:

- the amount determined above; and
- 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 entity determine 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 entity 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 entity 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 entity shall attribute 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 entity shall attribute 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 entity 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 entity re-measure the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Accounting Policies

1.28 Employee benefits (continued)

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 entity offsets an asset relating to one plan against a liability relating to another plan when the entity 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.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect 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 amount recognised as a liability for other long-term service awards 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 entity shall recognise 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, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.

1.29 Segment information

A segment is an activity of an entity:

- 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.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Accounting Policies

1.29 Segment information (continued)

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. 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.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

Figures in Rand

2022

2021

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2022 or later periods:

GRAP 25 (as revised): Employee Benefits

Background

The Board issued the Standard of GRAP on Employee Benefits (GRAP 25) in November 2009. GRAP 25 was based on the International Public Sector Accounting Standard on Employee Benefits (IPSAS 25) effective at that time. However, GRAP 25 was modified in some respects where the Board decided the requirements of the International Accounting Standard on Employee Benefits (IAS® 19) were more appropriate. Specifically, the Board:

- Eliminated the corridor method and required recognition of actuarial gains and losses in full in the year that they arise.
- Required the recognition of past service costs in the year that a plan is amended, rather than on the basis of whether they are vested or unvested.

Since 2009, the International Accounting Standards Board® has made several changes to IAS 19, including changes to the recognition of certain benefits, and where these changes are recognised. The IPSASB made similar changes to its standard and as a result of the extent of changes, issued IPSAS 39 on Employee Benefits to replace IPSAS 25 in 2016.

When the Board consulted locally on the proposed amendments to IPSAS 25 in 2016, stakeholders welcomed the amendments to align IPSAS 25 to IAS 19 and supported the changes that resulted in IPSAS 39.

In developing GRAP 25, the Board agreed to include the guidance from the IFRS Interpretation on IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (IFRIC 14®) partly in GRAP 25 and partly in the Interpretation of the Standards of GRAP on The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (IGRAP 7).

Key amendments to GRAP 25

The Board agreed to align GRAP 25 with IPSAS 39, but that local issues and the local environment need to be considered. As a result of this decision, there are areas where GRAP 25 departs from the requirements of IPSAS 39. The Board's decisions to depart are explained in the basis for conclusions.

The amendments to GRAP 25 are extensive and mostly affect the accounting for defined benefit plans. A new renumbered Standard of GRAP (e.g. GRAP 39) will not be issued, but rather a new version of the current GRAP 25.

The effective date of these revisions have not yet been set.

The impact of this revisions is currently being assessed.

GRAP 104 (as revised): Financial Instruments

Following the global financial crisis, a number of concerns were raised about the accounting for financial instruments. This included that (a) information on credit losses and defaults on financial assets was received too late to enable proper decision-making, (b) using fair value in certain instances was inappropriate, and (c) some of the existing accounting requirements were seen as too rules based. As a result, the International Accounting Standards Board® amended its existing Standards to deal with these issues. The IASB issued IFRS® Standard on Financial Instruments (IFRS 9) in 2009 to address many of the concerns raised. Revisions were also made to IAS® on Financial Instruments: Presentation and the IFRS Standard® on Financial Instruments: Disclosures. The IPSASB issued revised International Public Sector Accounting Standards in June 2018 so as to align them with the equivalent IFRS Standards.

The revisions better align the Standards of GRAP with recent international developments. The amendments result in better information available to make decisions about financial assets and their recoverability, and more transparent information on financial liabilities.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

2. New standards and interpretations (continued)

The most significant changes to the Standard affect:

- Financial guarantee contracts issued
- Loan commitments issued
- Classification of financial assets
- Amortised cost of financial assets
- Impairment of financial assets
- Disclosures

The municipality expects to adopt the revisions for the first time when the Minister sets the effective date for the revisions.

The impact of this standard is currently being assessed.

GRAP 2020: Improvements to the standards of GRAP 2020

Every three years, the Accounting Standards Board undertakes periodic revisions of the Standards of GRAP, in line with best practice internationally among standard setters.

Improvements to Standards of GRAP are aimed at aligning the Standards of GRAP with international best practice, to maintain the quality and to improve the relevance of the Standards of GRAP.

Amendments include,

GRAP 5 – Borrowing Costs

- For general borrowings, borrowing costs eligible for capitalisation determined by applying a capitalisation rate
 - Clarify that borrowings made specifically for purposes of obtaining a qualifying asset are excluded until substantially all the activities necessary to prepare asset for intended use or sale are complete

GRAP 13 – Leases

- Operating leases & Sale and leaseback transactions are currently assessed for impairment in accordance with GRAP 26
- Clarify that these arrangements may also be assessed in accordance with GRAP 21

GRAP 16 – Investment Property

- Clarify that GRAP 21 may be applied to assess investment property for impairment
- Include heading “Classification of property as investment property” (par 6 and 7) & delete existing headings
- Investment property under construction (within scope of GRAP 16)
 - Added heading “Guidance on initially measuring self-constructed investment property at fair value”
 - Added clarification that investment property is measured at fair value at earliest of:
 - o completion of construction or development; or
 - o when fair value becomes reliably measurable
- Clarify requirements on transfers to and from Investment property
 - Change in use involves an assessment on whether:
 - o property meets, or ceases to meet definition of investment property and
 - o evidence exists that a change in use has occurred
 - List of examples of a change in use is regarded as non-exhaustive

GRAP 17 – Property, Plant and Equipment

- Delete example indicating that quarries and land used for landfill may be depreciated in certain instances
 - Land has an unlimited useful life and cannot be consumed through its use

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

2. New standards and interpretations (continued)

GRAP 20 – Related Party Disclosures

- Clarify that entity, or any member of a group of which it is part, providing management services to reporting entity (or controlling entity of reporting entity) is a related party
 - Disclose amounts incurred by the entity for the provision of management services that are provided by a separate management entity
 - If an entity obtains management services from another entity (“the management entity”) the entity is not required to apply the requirements in paragraph .35 to the remuneration paid or payable by the management entity to the management entity’s employees or those charged with governance of the entity in accordance with legislation, in instances where they are required to perform such functions
 - Management services are services where employees of management entity perform functions as “management” as defined

GRAP 24 – Presentation of Budget Information in Financial Statements

- Terminology amended
 - Primary financial statements amended to “financial statements” or “face of the financial statements”

GRAP 31 – Intangible Assets

- Extend requirement to consider whether reassessing useful life of intangible asset as finite rather as indefinite indicates that asset may be impaired
 - Both under cost model or revaluation model

GRAP 32 – Service Concession Arrangements: Grantor

- Clarify disclosure requirement for service concession assets
 - Disclose carrying amount of each material service concession asset recognised at the reporting date

GRAP 37 – Joint Arrangements

- Application guidance clarified
 - When party obtains joint control in a joint operation where activity of joint operation constitutes a function (GRAP 105 or GRAP 106), previous held interest in joint operation is not remeasured

GRAP 106 – Transfer of Functions Between Entities Not Under Common Control

- When party obtains control of joint operation and entity had rights to assets, or obligations to liabilities before acquisition date, it comprises an acquisition achieved in stages
 - Apply the requirements for an acquisition achieved in stages, including remeasuring previously held interest in joint operation

Directive 7 – The Application of Deemed Cost

- Clarify that bearer plants within scope of Directive

The effective date of these improvements is 01 April 2023.

The municipality expects to adopt the improvements for the first time in the 2023/2024 financial statements.

The impact of this improvements is currently being assessed.

GRAP 1 (amended): Presentation of Financial Statements

Amendments to this Standard of GRAP, are primarily drawn from the IASB’s Amendments to IAS 1.

Summary of amendments are:

Materiality and aggregation

The amendments clarify that:

- information should not be obscured by aggregating or by providing immaterial information;
- materiality considerations apply to all parts of the financial statements; and
- even when a Standard of GRAP requires a specific disclosure, materiality considerations apply.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

2. New standards and interpretations (continued)

Statement of financial position and statement of financial performance

The amendments clarify that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements.

Notes structure

The amendments add examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order listed in GRAP 1.

Disclosure of accounting policies

Remove guidance and examples with regards to the identification of significant accounting policies that were perceived as being potentially unhelpful.

An municipality applies judgement based on past experience and current facts and circumstances.

The effective date of this amendment is for years beginning on or after 01 April 2023.

The municipality expects to adopt the amendment for the first time in the 2023/2024 financial statements.

It is unlikely that the amendment will have a material impact on the municipality's financial statements.

3. Cash and cash equivalents

Cash and cash equivalents consist of:

| | | |
|------------------------|--------------------|--------------------|
| Bank balances | 24,328,779 | 20,153,639 |
| Short-term investments | 766,000,000 | 746,000,000 |
| | 790,328,779 | 766,153,639 |

Included in the balance of cash and cash equivalents is an amount of R 35 961 349 (2021: R 30 697 803) relating to the portion recovered from the WCPG, Department of Transport and Public Works, in respect of the future medical aid liability of the roads staff.

Included in the balance of cash and cash equivalents is an amount relating to unspent conditional grants. (refer to note 11).

No cash and cash equivalents have been pledged as security.

Short-term investments

ABSA - Investment

| | | |
|------------------------|--------------------|--------------------|
| Opening balance | 148,000,000 | 137,000,000 |
| Movements for the year | 16,000,000 | 11,000,000 |
| | 164,000,000 | 148,000,000 |

FNB - Investment

| | | |
|------------------------|--------------------|--------------------|
| Opening balance | 137,000,000 | 105,000,000 |
| Movements for the year | (8,000,000) | 32,000,000 |
| | 129,000,000 | 137,000,000 |

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

| Figures in Rand | 2022 | 2021 |
|---|--------------------|--------------------|
| 3. Cash and cash equivalents (continued) | | |
| INVESTEC - Investment | | |
| Opening balance | 141,000,000 | 109,000,000 |
| Movements for the year | (2,000,000) | 32,000,000 |
| | 139,000,000 | 141,000,000 |
| NEDCOR - Investment | | |
| Opening balance | 165,000,000 | 171,000,000 |
| Movements for the year | 6,000,000 | (6,000,000) |
| | 171,000,000 | 165,000,000 |
| STANDARD BANK - Investment | | |
| Opening balance | 155,000,000 | 171,000,000 |
| Movements for the year | 8,000,000 | (16,000,000) |
| | 163,000,000 | 155,000,000 |

The municipality had the following bank accounts

| Account number / description | Bank statement balances | | | Cash book balances | | |
|--------------------------------|-------------------------|-------------------|-------------------|--------------------|------------------|------------------|
| | 30 June 2022 | 30 June 2021 | 30 June 2020 | 30 June 2022 | 30 June 2021 | 30 June 2020 |
| Nedbank - Primary bank account | 6,828,779 | 7,653,639 | 8,990,447 | 6,828,779 | 7,653,639 | 8,990,447 |
| Nedbank - Call account | 17,500,000 | 12,500,000 | 15,000,000 | - | - | - |
| Total | 24,328,779 | 20,153,639 | 23,990,447 | 6,828,779 | 7,653,639 | 8,990,447 |

4. Other receivables from exchange transactions

| | | |
|---|-------------------|-------------------|
| Prepayments | 2,278,610 | 2,280,450 |
| Deposits | 4,740 | 116,738 |
| Insurance claims | 40,071 | 39,420 |
| Municipal health debtor | 74,760 | 133,393 |
| Rental | 4,341 | 25,141 |
| Councillors | 22,484 | 22,378 |
| Accrued interest | 17,321,583 | 11,790,614 |
| Roads services (Department of Transport and Public Works) | 26,796,873 | 6,685,582 |
| Other receivables | 174,595 | 120,376 |
| Post retirement medical aid | 225,995 | 213,473 |
| Allowance for impairment | (129,997) | (127,467) |
| | 46,814,055 | 21,300,098 |

Other receivables pledged as security

No other receivables were pledged as security.

Credit quality of other receivables

The credit quality of other receivables 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 defaults. The municipality's historical experience in collection of other trade receivables falls within recorded allowances. Due to these factors, management's view is that no additional risk beyond amounts provided for collection losses is inherent in the municipality's other trade receivables.

Other receivables from exchange transactions

| | | |
|--|-------------------|-------------------|
| Gross balance | | |
| Other receivables from exchange transactions | 46,944,052 | 21,427,564 |
| | 46,944,052 | 21,427,564 |

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

| Figures in Rand | 2022 | 2021 |
|--|-------------------|-------------------|
| 4. Other receivables from exchange transactions (continued) | | |
| Less: Allowance for impairment | | |
| Other receivables | 110,343 | 108,563 |
| Post retirement medical aid | 19,654 | 18,904 |
| | 129,997 | 127,467 |
| Net balance | | |
| Other receivables from exchange transactions | 46,814,055 | 21,300,097 |
| | 46,814,055 | 21,300,097 |
| Other receivables from exchange transactions | | |
| Current (0-30 days) | 27,167,230 | 7,077,003 |
| 31 - 60 days | 2,437 | 323 |
| 61 - 90 days | 3,482 | - |
| 91 - 120 days | - | - |
| 121 - 365 days | - | 21,487 |
| > 365 days | 18,227 | 107,843 |
| | 27,191,376 | 7,206,656 |

None of the financial assets that are fully performing have been renegotiated in the last year.

Prepayments of R 2 278 610 (2021:R 2 280 450) were not included as the future economic benefits relate to the receipt of goods and services. Councillor debt of R 22 484 (2021: R 22 378) was not included as this relate(s) to recoveries still to be concluded at reporting date. The interest accrual of R 17 321 583 (2021: R 11 790 614) was not included in the ageing as it is not due yet.

Other receivables past due but not impaired

Management regard other receivables from exchange transactions for outstanding amounts of more than 30 days as past due. The impairment of other receivables from exchange transactions is based on the historic payment rate of the receivable.

As at 30 June 2022 other receivables of R 46 632 (2021: R 152 031) were past due but not impaired.

No other receivables were pledged as security.

Reconciliation of provision for impairment of other receivables from exchange transactions

| | | |
|--------------------------|------------------|------------------|
| Opening balance | (127,467) | (160,018) |
| Provision for impairment | (5,440) | (25,221) |
| Unused amounts reversed | 2,910 | 57,772 |
| | (129,997) | (127,467) |

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

| Figures in Rand | 2022 | 2021 |
|--|------------------|-----------------|
| 5. Trade Receivables from exchange transactions | | |
| Gross balances | | |
| Fire Fighting | 196,611 | 146,912 |
| Less: Allowance for impairment | | |
| Fire Fighting | (196,611) | (85,926) |
| Net balance | | |
| Fire Fighting | - | 60,986 |
| Fire Fighting | | |
| Current (0 -30 days) | - | - |
| 31 - 60 days | - | 23,282 |
| 61 - 90 days | 50,982 | 37,705 |
| 91 - 120 days | 331 | 18,246 |
| 121 - 365 days | 28,352 | 4,524 |
| > 365 days | 116,946 | 63,155 |
| | 196,611 | 146,912 |
| Reconciliation of allowance for impairment | | |
| Balance at beginning of the year | (85,926) | (20,778) |
| Contributions to allowance | (117,761) | (65,148) |
| Reversal of allowance | 7,076 | - |
| | (196,611) | (85,926) |

Trade receivables pledged as security

No trade receivables were pledged as security.

The risk profile of each class of debtor was assessed to determine the allowance for impairment.

No collateral is held for any of the debtors disclosed above.

Credit quality of trade receivables

Due to historic trends that cannot be determined, the credit quality of each individual debtor that are neither due nor past nor impaired was assessed. As per the Credit Control and Debt Collection Policy, all debtors with accounts outstanding for more than 60 days are handed over to the debt collectors of the municipality. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management's view that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

Trade receivables past due but not impaired

The debt originated as a result of firefighting services rendered in terms of the Fire Fighting Act. The impairment for receivables from exchange transactions were calculated based on the assessment of each individual debtor, as a historic payment trend cannot be determined for firefighting debtors.

As at 30 June 2022 trade receivables of R 196 611 (2021: R 146 912) were past due but not impaired.

Trade receivables impaired and provided for

As at 30 June 2022, consumer debtors of Rnil (2021: Rnil) were impaired.

As at 30 June 2022, consumer debtors of R 196 611 (2021: R 85 926) were provided for.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

| Figures in Rand | 2022 | 2021 |
|--|------------------|------------------|
| 5. Trade Receivables from exchange transactions (continued) | | |
| The ageing of these receivables are as follows: | | |
| Current (0 - 30 days) | - | - |
| 31 - 60 days | - | - |
| 61 - 90 days | 50,982 | - |
| 91 - 120 days | 331 | 18,246 |
| 120 days or more | 145,298 | 67,680 |
| 6. Inventories | | |
| Consumable stores | 1,905,577 | 2,688,257 |
| Housing stock | 72,940 | 72,940 |
| | 1,978,517 | 2,761,197 |

No inventory has been pledged as security.

Consumables valued at R 49 320 (2021: R 91 017) were written off and recognised in the Statement of Financial Performance.

Inventory valued at R 4 160 608 (2021: R 4 791 216) were expensed in the Statement of Financial Performance.

7. VAT receivable

| | | |
|---------------------------------------|-----------|-----------|
| VAT | 2,455,080 | 1,715,323 |
| Statutory receivables | | |
| Gross balances | | |
| VAT receivable | 2,455,080 | 1,715,323 |
| Less: Allowance for impairment | | |
| VAT receivable | - | - |
| Net balance | | |
| VAT receivable | 2,455,080 | 1,715,323 |

Transactions arising from statute

The municipality is registered with the South African Revenue Services (SARS) for VAT on the invoice basis, in accordance with Section 15(1) of the VAT Act (Act No. 89 of 1991). The statutory receivable is measured at its transactional amount.

The VAT receivable recognised at year end is mainly due to the impact of the difference between the input and output VAT recognised during the financial year as well as the accruals raised at year end.

No interest or other charges are levied against the statutory receivable.

Management regard statutory receivables as being impaired on the same basis that other receivables from exchange transactions are assessed for impairment (historic payment rate of the receivable).

Historically, all refunds have been received within 30 days of the submission of the VAT 201 returns to SARS.

Reconciliation of the provision for impairment

The statutory receivable is not considered to be impaired by the municipality as SARS has not defaulted on payments in the past.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

| Figures in Rand | 2022 | 2021 |
|---|---------|--------|
| 7. VAT receivable (continued) | | |
| Receivables past due not impaired | | |
| Statutory receivables which are less than 30 days past due are not considered for impairment. At 30 June 2022, Rnil (2021:Rnil) were past due but not impaired. | | |
| Statutory receivables pledged as security | | |
| No statutory receivables were pledged as security. | | |
| No collateral is held for any of the statutory receivables. | | |
| 8. Receivables from non-exchange transactions | | |
| Government grants and subsidies | 122,441 | 83,869 |
| Receivables from non-exchange transactions pledged as security | | |
| No receivables from non- exchange transactions were pledged as security. | | |
| The risk profile of each class of debtor was assessed to determine the allowance for impairment. | | |
| No collateral is held for any of the debtors disclosed above. | | |
| 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. | | |
| Receivables from non-exchange transactions impaired | | |
| As of 30 June 2022, receivables from non-exchange transactions of Rnil (2021: Rnil) were impaired and provided for. | | |
| Net balances | | |
| Government grant and subsidies | 122,441 | 83,869 |
| Government grant and subsidies | | |
| Current (0 - 30 days) | 122,441 | 83,869 |
| Reconciliation of allowance for impairment of receivables from non-exchange transactions | | |
| Opening balance | - | - |

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

Figures in Rand 2022 2021

9. Property, plant and equipment

| | 2022 | | | 2021 | | |
|-------------------------------------|--------------------|---|--------------------|--------------------|---|--------------------|
| | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value |
| Land | 66,454,904 | - | 66,454,904 | 66,384,904 | - | 66,384,904 |
| Buildings | 49,343,791 | (27,055,598) | 22,288,193 | 48,802,292 | (25,945,803) | 22,856,489 |
| Plant and machinery | 22,527,031 | (13,116,356) | 9,410,675 | 22,251,131 | (11,906,662) | 10,344,469 |
| Furniture and fixtures | 8,783,367 | (5,701,980) | 3,081,387 | 8,684,843 | (5,451,555) | 3,233,288 |
| Motor vehicles | 52,054,371 | (27,465,105) | 24,589,266 | 52,054,371 | (23,905,410) | 28,148,961 |
| Office equipment | 29,022,105 | (14,261,777) | 14,760,328 | 30,116,431 | (13,736,050) | 16,380,381 |
| Infrastructure | 3,920,746 | (1,107,189) | 2,813,557 | 3,771,745 | (982,759) | 2,788,986 |
| Other property, plant and equipment | 9,113,349 | (4,544,636) | 4,568,713 | 8,752,789 | (4,169,344) | 4,583,445 |
| Total | 241,219,664 | (93,252,641) | 147,967,023 | 240,818,506 | (86,097,583) | 154,720,923 |

Criteria for determination for classification between Property, plant and equipment and Investment property.

The criteria created to identify whether an asset meets the definition of Property, plant and equipment (PPE) or Investment property have been determined as follows:

a) In the instance where the property yield rentals, where a significant portion of the property is held for administrative purposes and an insignificant portion is held for rentals, the total property will be evaluated as PPE and not as investment property. This will apply even if the intention is to rent the property out for a prolonged period.

b) Where a significant portion (more than 50%) of the total property including land and all other buildings is held for rentals, the property will be classified as investment property. This will apply even if management intends to rent the property out for a prolonged period.

A property consisting of a parking area, is rented to the public, and a significant portion of the property (land and buildings) is held by the municipality for administrative purposes.

The consideration of a new lease is based on the need of the municipality prior to expiry of the existing lease agreements. The property meet the criteria set out above as Property, plant and equipment and has been classified as PPE.

Heritage assets are not recognised as a heritage asset even though the definition of a heritage asset is met, because a significant portion is applied for administrative purposes.

Reconciliation of property, plant and equipment - 2022

| | Opening balance | Additions | Disposals | Depreciation | Total |
|-------------------------------------|--------------------|------------------|------------------|--------------------|--------------------|
| Land | 66,384,904 | 70,000 | - | - | 66,454,904 |
| Buildings | 22,856,489 | 541,500 | - | (1,109,796) | 22,288,193 |
| Plant and machinery | 10,344,469 | 560,382 | (55,090) | (1,439,086) | 9,410,675 |
| Furniture and fixtures | 3,233,288 | 256,482 | (8,235) | (400,148) | 3,081,387 |
| Motor vehicles | 28,148,961 | - | - | (3,559,695) | 24,589,266 |
| Office equipment | 16,380,381 | 960,588 | (115,232) | (2,465,409) | 14,760,328 |
| Infrastructure | 2,788,986 | 149,000 | - | (124,429) | 2,813,557 |
| Other property, plant and equipment | 4,583,445 | 557,292 | - | (572,024) | 4,568,713 |
| | 154,720,923 | 3,095,244 | (178,557) | (9,670,587) | 147,967,023 |

Included in additions of Office equipment is an amount of R17 374 that relates to work-in progress.

Cape Winelands District Municipality

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9. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2021

| | Opening balance | Additions | Disposals | Depreciation | Total |
|-------------------------------------|--------------------|------------------|------------------|--------------------|--------------------|
| Land | 66,384,904 | - | - | - | 66,384,904 |
| Buildings | 23,164,704 | 776,559 | - | (1,084,774) | 22,856,489 |
| Plant and machinery | 11,109,923 | 671,937 | (21,411) | (1,415,980) | 10,344,469 |
| Furniture and fixtures | 3,050,628 | 548,892 | (1,664) | (364,568) | 3,233,288 |
| Motor vehicles | 31,168,049 | - | (49,509) | (2,969,579) | 28,148,961 |
| Office equipment | 16,006,943 | 3,071,562 | (58,492) | (2,639,632) | 16,380,381 |
| Infrastructure | 2,712,866 | 193,391 | - | (117,271) | 2,788,986 |
| Other property, plant and equipment | 4,847,054 | 260,209 | (5,683) | (518,135) | 4,583,445 |
| | 158,445,071 | 5,522,550 | (136,759) | (9,109,939) | 154,720,923 |

Reconciliation of repairs and maintenance - 2022

| | Contracted services | Employee related cost | Materials and supplies | Total |
|------------------------|---------------------|-----------------------|------------------------|------------------|
| Buildings | 2,122,062 | 1,635,474 | 30,466 | 3,788,002 |
| Office equipment | 703,012 | - | 46,690 | 749,702 |
| Plant and equipment | 115,124 | - | 5,526 | 120,650 |
| Motor vehicles | 863,992 | - | 451,928 | 1,315,920 |
| Infrastructure | - | - | - | - |
| Other | - | - | 2,090 | 2,090 |
| Furniture and fittings | 38,113 | - | - | 38,113 |
| | 3,842,303 | 1,635,474 | 536,700 | 6,014,477 |

Reconciliation of repairs and maintenance - 2021

| | Contracted services | Employee related cost | Materials and supplies | Total |
|---------------------|---------------------|-----------------------|------------------------|------------------|
| Buildings | 968,361 | 2,054,835 | 60,524 | 3,083,720 |
| Office equipment | 671,627 | - | 35,916 | 707,543 |
| Plant and equipment | 105,924 | - | 3,074 | 108,998 |
| Motor vehicles | 1,445,352 | - | 673,031 | 2,118,383 |
| Infrastructure | 1,620 | - | - | 1,620 |
| Other | 91,018 | - | - | 91,018 |
| | 3,283,902 | 2,054,835 | 772,545 | 6,111,282 |

A register containing the information required by section 63 of the MFMA is available for inspection at the registered office of the municipality.

No assets have been pledged as security.

Other property, plant and equipment were split into the various classes as disclosed in the note for both the current and prior year.

An impairment assessment was performed based on the indicators as listed in the accounting policy under paragraph 1.4 Property, plant and equipment. No potential impairment losses have been recognised on Property, Plant and Equipment of the municipality at the reporting date.

A review of useful lives of property, plant and equipment was done. Management considers whether there is any indication that expectations about the useful life of an asset have changed since the previous reporting date. There were changes in the estimated useful lives of various assets during the financial year. Refer to Note 41 for details relating to the change in accounting estimates.

Cape Winelands District Municipality

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10. Intangible assets

| | 2022 | | | 2021 | | |
|--------------------------|------------------|---|----------------|------------------|---|----------------|
| | Cost / Valuation | Accumulated amortisation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated amortisation and accumulated impairment | Carrying value |
| Computer software, other | 1,902,361 | (1,335,746) | 566,615 | 1,864,203 | (1,205,277) | 658,926 |

Reconciliation of intangible assets - 2022

| | Opening balance | Additions | Amortisation | Total |
|--------------------------|-----------------|-----------|--------------|---------|
| Computer software, other | 658,926 | 38,157 | (130,468) | 566,615 |

Reconciliation of intangible assets - 2021

| | Opening balance | Additions | Disposals | Amortisation | Total |
|--------------------------|-----------------|-----------|-----------|--------------|---------|
| Computer software, other | 737,930 | 79,668 | (30,293) | (128,379) | 658,926 |

Included in additions of Intangible assets is an amount of R79 668 that relates to work-in progress. Included in note 48, Capital commitments, is R38 157 that relates to the development cost of a new website that were incomplete at year end.

11. Unspent conditional grants and receipts

| | | |
|---|------------------|------------------|
| Community development workers (CDW) operational support grant | 204,046 | 169,127 |
| Integrated transport planning | 672,322 | 822,456 |
| Local Government Financial Management Grant | 154,932 | - |
| Fire service capacity building grant | 1,046,000 | 1,046,000 |
| Local Government Public Employment Support Grant | 200,000 | - |
| Rural roads asset management system grant (RRAMS) | 2,748,000 | 2,711,000 |
| Local government internship grant | 46,000 | 31,545 |
| Safety initiative implementation - Whole of society approach (WOSA) | 353,921 | 294,601 |
| Expanded Public Works Programme Integrated grant for Municipalities | 100,000 | - |
| Public contributions and donations | 251,005 | 260,592 |
| | 5,776,226 | 5,335,321 |

See note 21 & 22 for reconciliation of grants from National/Provincial Government.

These amounts are invested in a ring-fenced investment until utilised. (refer to note 3)

12. Payables from exchange transactions

| | | |
|---|------------------|------------------|
| Other payables | 213,412 | 171,457 |
| Creditor accruals | 2,770,072 | 5,380,169 |
| Working for water (Department of Environmental Affairs) | - | 812,430 |
| Payments received in advanced | 67,357 | 46,022 |
| Trade payables | 1,861,494 | 1,010,991 |
| Unclaimed funds | 553 | 550 |
| | 4,912,888 | 7,421,619 |

Cape Winelands District Municipality

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|--|--------------------|--------------------|
| 13. Employee benefits | | |
| Current employee benefits | | |
| Employee benefit accruals | 2,576,834 | 1,764,901 |
| Current: Medical aid liability | 8,964,681 | 8,397,000 |
| Provision staff leave | 17,376,311 | 17,829,700 |
| 13th Cheque | 5,259,102 | 5,145,928 |
| Current: Ex- gratia benefit | 204,000 | 8,000 |
| Current: Long term service award | 1,788,000 | 1,847,000 |
| Performance bonus | 898,137 | 630,219 |
| | 37,067,065 | 35,622,748 |
| Other long term employee benefits | | |
| Long service award | 13,339,999 | 12,465,999 |
| Post-employee benefits | | |
| Post-Retirement Medical aid benefits | 135,612,320 | 131,275,001 |
| Ex-gratia benefit | 884,001 | 968,001 |
| | 136,496,321 | 132,243,002 |
| Current liability | 37,067,065 | 35,622,748 |
| Non-current liability | 149,836,320 | 144,709,001 |
| | 186,903,385 | 180,331,749 |

The municipality finalised a Medical Funds Administration Policy that was approved by Council which invariably impact on the actuarial assumptions that informs the valuation and measurement of this provision.

Post-retirement and medical aid benefits

The municipality offers employees and continuation members the opportunity of belonging to one of several medical schemes, most of which offer a range of options pertaining to levels of cover.

Upon retirement, an employee may continue membership of the medical scheme. Upon a member's death in service or death-in-retirement, the surviving dependents may continue membership of the medical scheme.

In- service members will receive a post- employment subsidy of 60% or 70% of the contribution payable should they be a member of a medical aid at retirement.

All continuation members and their eligible dependents receive a 60% or 70% subsidy.

Upon a member's death-in-service or death-in-retirement the surviving dependents will continue to receive the same subsidy.

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

- Bonitas
- Key Health
- Samwumed
- Hosmed
- LA Health

Details relating to eligible employees of the post-retirement medical aid benefit obligation are listed below:

Active members

| | | |
|---------------------------|---------------|---------------|
| Principal members | 271 | 291 |
| Average age | 49.4 | 48.3 |
| Average past service cost | R19,4 million | R18,3 million |

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

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|--|--------------------|--------------------|
| 13. Employee benefits (continued) | | |
| Continuation members | | |
| Principal members | 149 | 148 |
| Average age | 71.9 | 72.0 |
| The amounts recognised in the Statement of Financial Position are - | | |
| Projected benefit obligation | 144,577,000 | 139,672,000 |
| | 144,577,000 | 139,672,000 |
| The obligation in respect of past services has been estimated as follows: | | |
| Active members | 46,192,000 | 47,067,000 |
| Continuation members | 98,385,000 | 92,605,000 |
| Net obligation | 144,577,000 | 139,672,000 |
| The amounts recognised in the Statement of Financial Performance are- | | |
| Current service cost | 2,946,000 | 2,618,000 |
| Interest cost | 17,502,000 | 20,739,000 |
| Recognised actuarial (gains)/losses | (7,501,911) | (7,443,229) |
| Amount charged to Statement of Financial Performance | 12,946,089 | 15,913,771 |

The future service cost for the ensuing financial period is estimated to be R2 002 000, whereas the interest cost for the next year is estimated to be R16 695 000.

The best estimates for the employer benefit payments in the 2022/23 financial period is expected to be R 8 964 681.

Movements in the present value of the defined benefit obligation were as follows:

| | | |
|--|--------------------|--------------------|
| Opening benefit obligation liability | 139,672,000 | 131,534,500 |
| Payments to members | (8,041,089) | (7,776,271) |
| Charge to Statement of Financial Performance | 12,946,089 | 15,913,771 |
| Closing benefit liability | 144,577,000 | 139,672,000 |

GRAP 25 stipulates that the choice of the discount rate should be derived from government bond yields consistent with the estimated term of the post-employment liabilities. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments, current market rates of the appropriate term should be used to discount shorter term payments, and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

The nominal and real zero curves as at 30 June 2022 supplied by the JSE is used to determine the discount rates and CPI assumptions at each relevant time period. In the event that the valuation is performed prior to the effective valuation date, the prevailing yield at the time of performing the calculations is utilised. This methodology was changed from a point estimate in order to present a more accurate depiction of the liability. Previously only one discount rate was used to value all the liabilities.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

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Figures in Rand 2022 2021

13. Employee benefits (continued)

Key actuarial assumptions

| | |
|-----------------------|-------------|
| Discount rate | Yield Curve |
| Health care inflation | CPI + 1.5% |

Sensitivity Analysis on current-service and interest cost:

| Assumption | Change | Current service cost | Interest cost | Total | % change |
|----------------------------|--------|----------------------|---------------|------------|----------|
| Central Assumptions | | 2,022,000 | 16,695,000 | 18,697,000 | |
| Health care inflation | 1 % | 2,260,000 | 18,281,000 | 20,541,000 | 10 % |
| | -1 % | 1,730,000 | 15,182,000 | 16,912,000 | -10 % |
| Post- retirement mortality | 20% | 1,855,000 | 15,479,000 | 17,334,000 | -7 % |
| | -20% | 2,179,000 | 18,206,000 | 20,385,000 | 9 % |

Sensitivity analysis on the benefit liability:

| Assumption | Change | Liability | % change |
|----------------------------|--------|-------------|----------|
| Central assumptions | | 144,577,000 | |
| Health care inflation | 1 % | 157,863,000 | 9% |
| | -1 % | 131,916,000 | -9 % |
| Post- retirement mortality | 20% | 134,365,000 | -7 % |
| | -20% | 157,269,000 | 9 % |

| History of Liabilities and Experience Adjustments | 30 June 2018 | 30 June 2019 | 30 June 2020 | 30 June 2021 | 30 June 2022 |
|---|--------------|--------------|--------------|--------------|--------------|
| Accrued liability | 153,142,000 | 140,285,000 | 131,534,500 | 139,672,000 | 144,577,000 |
| Experience adjustment | 221,000 | (2,278,000) | - | - | - |

In terms of the memorandum of Agreement between the WCPG, Department of Transport and Public Works, and the past experience hereon, funds will be made available to maintain the approved organogram of the roads division in the municipality. The future claim for roads staff for post employment medical aid has therefore been raised as an employee benefit asset.

Employee benefit asset

| | | |
|--------------------------------|------------------|-------------------|
| Opening balance | 10,555,196 | 7,433,141 |
| Current service cost | 870,000 | 803,000 |
| Payment received from WCPG | (3,589,525) | (2,028,365) |
| Interest cost | 5,169,000 | 5,477,000 |
| Benefits paid | (2,449,475) | (2,316,195) |
| Interest on payments from WCPG | (1,674,022) | (1,512,780) |
| Actuarial loss / (gain) | (946,525) | 2,699,395 |
| | 7,934,649 | 10,555,196 |

Reconciliation of employee benefit asset

| | | |
|-------------------|------------------|-------------------|
| Current asset | 2,721,827 | 2,480,000 |
| Non-current asset | 5,212,822 | 8,075,196 |
| | 7,934,649 | 10,555,196 |

The assumptions used by the actuaries to calculate the portion of the roads staff is the same as was used to calculate the amount recognised as post employment medical aid.

The amounts recognised as the current portion is equal to the amount as recognised in the valuation report for the respective financial years.

Cape Winelands District Municipality

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13. Employee benefits (continued)

Ex-gratia benefits

The ex-gratia pensions are pensions that are paid by the municipality from its revenue i.e. and are not funded or paid from one of the municipality's formalised pension arrangements.

All employees who did not participate in the municipality's formal pension funds are entitled to a Revenue Pension, which are sometimes referred to as "Ex-gratia" pensions.

Details of employees eligible for ex-gratia benefits are detailed below:

Members

| | | |
|--|---|---|
| In-service employee for ex-gratia pension | 5 | 5 |
| In-service employees eligible for lump sum benefit on retirement | 4 | 5 |

Average age in years

| | | |
|--|-------|-------|
| In-service employee for ex-gratia pension | 59.73 | 38.87 |
| In-service employees eligible for lump sum benefit on retirement | 60.04 | 58.91 |

The amount recognised in the Statement of Financial Position are:

| | | |
|------------------------------|-----------|---------|
| Projected benefit obligation | 1,088,000 | 976,000 |
|------------------------------|-----------|---------|

The amount recognised in the Statement of Financial Performance are:

| | | |
|------------------------------------|----------------|----------------|
| Interest cost | 74,000 | 74,000 |
| Recognised actuarial (Gain) / Loss | 39,524 | 245,170 |
| | 113,524 | 319,170 |

The future service cost for the ensuing financial year is estimated to be R nil, whereas the interest cost for the next financial year is estimated to be R84 000.

The best estimates for the employer benefit payments in the 2022/23 financial year is expected to be R 204 000.

GRAP 25 stipulates that the choice of the discount rate should be derived from government bond yields consistent with the estimated term of the post-employment liabilities. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments, current market rates of the appropriate term should be used to discount shorter term payments, and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

The rate is calculated by using the implied duration of the liability to obtain an appropriate interest rate on the yield curve. The nominal and real zero curves as at 30 June 2022 were supplied by the JSE to determine the discounted rates and CPI assumptions.

Movements in the present value of the defined benefit obligation were as follows:

| | | |
|-----------------------------------|------------------|----------------|
| Opening benefit obligation | 976,001 | 1,429,001 |
| Payments to members | (1,524) | (772,170) |
| Actuarial (Gain) / Loss | 39,524 | 245,170 |
| Interest and service cost | 74,000 | 74,000 |
| Closing benefit obligation | 1,088,001 | 976,001 |

Key actuarial assumptions

| | | |
|-----------------------|--------|--------|
| Discount rate | 7.71 % | 7.59 % |
| CPI inflation rate | 6.37 % | 4.87 % |
| Salary inflation rate | 7.37 % | 5.87 % |

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

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Figures in Rand 2022 2021

13. Employee benefits (continued)

Sensitivity analysis on the benefit obligation:

| Assumption | Change | Total Liability | % change |
|-------------------------|--------|-----------------|----------|
| Central Assumptions | | 1,086,000 | |
| Benefit Inflation rates | 1 % | 1,104,000 | 2 % |
| | -1 % | 1,067,000 | -2 % |

Sensitivity analysis on the interest cost:

| Assumption | Change | Interest cost | % change |
|-------------------------|--------|---------------|----------|
| Central Assumptions | | 84,000 | |
| Benefit Inflation rates | 1 % | 85,000 | 1% |
| | -1 % | 82,000 | -2% |

| History of Liabilities, Assets and Experience Adjustments | 30 June 2018 | 30 June 2019 | 30 June 2020 | 30 June 2021 | 30 June 2022 |
|---|--------------|--------------|--------------|--------------|--------------|
| Accrued liability | 1,841,349 | 1,559,725 | 1,429,000 | 976,000 | 1,088,000 |
| Experience adjustment | (238,197) | (152,346) | - | - | - |

Long service awards

The municipality offers employees a long service award for every five years of service completed from ten years of service to forty five years of service.

Details of employees eligible for long service awards are detailed below:

| | | |
|----------------------|-----|-----|
| Members | 397 | 407 |
| Average age in years | 47 | 47 |

The amounts recognised in the Statement of Financial Position are:

| | | |
|------------------------------|------------|------------|
| Projected benefit obligation | 15,128,000 | 14,313,000 |
|------------------------------|------------|------------|

The amounts recognised in the Statement of Financial Performance are:

| | | |
|--------------------------------------|-----------|-----------|
| Current service cost | 881,000 | 852,000 |
| Interest cost | 1,489,000 | 1,649,000 |
| Recognised actuarial (gain) / losses | 145,400 | 115,006 |

Amount charged to Statement of Financial Performance

| | |
|-----------|-----------|
| 2,515,400 | 2,616,006 |
|-----------|-----------|

The future service cost for the ensuing financial year is estimated to be R948 000, whereas the interest cost for the next financial year is estimated to be R1 752 000.

The best estimates for the employer benefit payments in the 2022/23 financial period is expected to be R1 788 000.

GRAP 25 stipulates that the choice of the discount rate should be derived from government bond yields consistent with the estimated term of the post-employment liabilities. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments, current market rates of the appropriate term should be used to discount shorter term payments, and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

A discount rate on a yield curve has been used. The nominal and real zero curves as at 30 June 2022 supplied by the JSE was used to determine the discounted rates and CPI assumptions at each relevant time period. This methodology was followed to present a more accurate depiction of the liability.

Cape Winelands District Municipality

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13. Employee benefits (continued)

The underlying future rate of the consumer price index (CPI inflations) from the relationship between the (yield curve based) Conventional Bond Rate for each relevant time period and the (yield curve based) Inflation-linked Bond rate for each relevant time period. A general earnings inflation rate equal of CPI +1% over the expected term of the liability has been assumed.

Movements in the present value of the benefit obligation were as follows:

| | | |
|---|-------------------|-------------------|
| Opening benefit obligation | 14,313,000 | 13,877,000 |
| Payment to members (benefits vesting) | (1,700,400) | (2,180,006) |
| Actuarial (Gain) / Loss | 145,400 | 115,006 |
| Interest and service cost charged to Statement of Financial Performance | 2,370,000 | 2,501,000 |
| Closing benefit obligation | 15,128,000 | 14,313,000 |

Key actuarial assumptions

| | | |
|------------------------|-------------|-------------|
| Discount rate | Yield Curve | Yield Curve |
| Salary inflation | CPI +1% | CPI +1% |
| Average retirement age | 62 | 62 |

| Assumptions | Change | Liability | % change |
|--------------------------|--------|------------|----------|
| Central Assumptions | | 15,128,000 | |
| General salary inflation | 1% | 16,080,000 | 6% |
| | -1% | 14,259,000 | -6% |
| Withdrawal rates | 20% | 14,654,000 | -3% |
| | -20% | 15,637,000 | 3% |

| Assumption | Change | Current service cost | Interest cost | Total | % change |
|--------------------------|--------|----------------------|---------------|-----------|----------|
| Central assumptions | | 948,000 | 1,752,000 | 2,700,000 | |
| General salary inflation | 1 % | 1,023,000 | 1,869,000 | 2,892,000 | 7 % |
| | -1 % | 880,000 | 1,645,000 | 2,525,000 | -6 % |
| Withdrawal rates | 20% | 902,000 | 1,693,000 | 2,595,000 | -4 % |
| | -20 % | 998,000 | 1,815,000 | 2,813,000 | 4 % |

| History of Liabilities and Experience Adjustments | 30 June 2018 | 30 June 2019 | 30 June 2020 | 30 June 2021 | 30 June 2022 |
|---|--------------|--------------|--------------|--------------|--------------|
| Accrued liability | 12,376,146 | 12,707,467 | 13,877,000 | 14,313,000 | 15,128,000 |
| Experience adjustment | 732,735 | 927,882 | - | - | - |

Retirement benefit information

The municipality makes provision for post-retirement benefits to eligible Councillors and employees who belong to different pension schemes. These funds are governed by the Pension Funds Act and include both defined benefit and defined contribution schemes.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where councillors / employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

These schemes are multi employer plans and are subject to a tri-annual, bi-annual or annual actuarial valuation as set out hereunder.

Cape Winelands District Municipality

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|-----------------|------|------|

13. Employee benefits (continued)

a) LA Retirement Fund (Previously: Cape Joint Pension Fund)

The LA Retirement Fund operates both as a defined benefit and defined contribution scheme.

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.

Defined Benefit Scheme

The contribution rate payable is under the defined benefit section is 27%, 9% by the members and 18% by their councils. The actuarial valuation report at 30 June 2021 disclosed an actuarial valuation amounting to R 1 486 110 000 (30 June 2020 : R 1 420 856 000), with a net accumulated surplus of R 69 420 000 (2020 : Rnil), with a funding level of 104.9% (30 June 2020 : 100%).

Defined Contribution Scheme

The actuarial valuation report at 30 June 2021 indicated that the defined contribution scheme of the fund is in a sound financial position, with assets amounting to R2 082 488 000 (30 June 2020 : R1 891 631 000), net investment reserve of Rnil (30 June 2020 : Rnil) and with a funding level of 100% (2020 : 100%).

The actuary concluded that:

- The Defined Benefit Section is in a sound financial condition with a funding level of 104.9% as at 30 June 2021.
- The Defined Contribution Section of the fund was in a sound financial condition with a funding level of 100% as at 30 June 2021.
- Overall the fund is in a sound financial condition with an overall funding level of 102.0%.
- The Trustees awarded a 3.41% pension increase effective 1 January 2022.
- The Trustees awarded 100% of monthly pension bonus to pensioners payable in December 2021.

b) Consolidated Retirement Fund for Local Government (Previously: Cape Joint Retirement Fund)

The contribution rate for members is 7.5% of basic salary, whilst the respective Local Authorities are contributing 19.5%.

The fund provides defined contribution benefits to its active members and deferred members. The benefit payable on exit of a member is the Member's Share. This is broadly equal to the contributions (after costs) with the addition of investment returns.

The last statutory valuation performed as at 30 June 2021 revealed that the net assets of the fund amounted to R34 148 081 000 (30 June 2020: R28 424 000 000), with funding levels of 133% and 100.5% (30 June 2020: 132.2% and 100.5%) for the Pensions Account and the Share Account respectively. The contribution rate paid by the members (7,50%/9%) and the municipalities (7,50%/19,5%) is sufficient to fund the benefits accruing from the fund in the future. The actuary certified that the structure of the assets is appropriate relative to the nature of the liabilities, given normal circumstances and that the Fund is in a sound financial condition as at the valuation date.

Cape Winelands District Municipality

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13. Employee benefits (continued)

c) The Municipal Workers Retirement Fund (Previously: SAMWU National Provident Fund)

The Municipal Workers Retirement Fund is a defined contribution scheme. Members contribute at a rate of not less than 7.5% of salaries, as required by the Rules. The employers contribute at a total rate of not less than 18%. From 1 July 2017, members and employers that fall under other bargaining councils or forums are not bound by the above minimum contribution rates. The statutory valuation performed as at 30 June 2017 revealed that the assets of the fund amounted to R7 720 948 000 (30 June 2014 : R6 574 775 000), with funding levels of 102.0% (30 June 2014: 111.7%). As a percentage of members' Fund Credits, the investment smoothing reserve has decreased from 5.6% to 4.9% over the valuation period. As a percentage of the market value of assets, it has decreased marginally from 4.6% to 4.4%. The Fund's assets are sufficient to cover the members' Fund Credits, the targeted levels of the risk benefits reserve and the data and processing error reserve, and an investment smoothing reserve of 4.9% of members' Fund Credits as at 30 June 2017. In addition, there is brought-forward surplus of some R152.8 million which has been allocated to former members and is awaiting payment. The Fund is therefore in a sound financial position.

d) The Municipal Councillors Pension Fund

The Municipal Councillors Pension Fund operates as a defined contribution scheme. The statutory valuation performed as at 30 June 2018 revealed that the assets of the fund amounted to R1 798 030 000 (30 June 2015 : R2 551 861 000), with funding levels of 103.26% (30 June 2015: 101.08%). The contribution rate paid by the members (13,75%) and council (15%) is sufficient to fund the benefits accruing from the fund in the future. The Actuary certified that the Fund was in a sound financial condition as at 30 June 2018, in that the assets of the fund were sufficient to cover the accrued service liabilities including the recommended contingency reserves in full.

The appointment of a Curator in terms of section 5(1) of the Financial Institutions (protection of funds) Act 2001 for the whole of the business of the Municipal Councillors Pension Fund was done in December 2017. Due to the provisional curatorship, a short monatorium has been placed on the payment of benefits to members/beneficiaries. In terms of the curatorship order, the Court ordered as follows: 1. The provisional Curatorship order of the 19th December 2017 is made final; 2. The Curator shall furnish the Registrar of the Pension Fund with progress report; 3. The Curator must deliver a further progress report to the Court by no later than 31st October 2018 which report deals with the status of curatorship as at the 30th September 2018; on the curatorship once every two months.

14. Accumulated surplus

Ring-fenced internal funds and reserves within accumulated surplus - 2022

| | Capital replacement reserve | Government grant reserve | Accumulated surplus | Total |
|---|-----------------------------|--------------------------|---------------------|--------------------|
| Opening balance | 65,457,033 | 2,941,714 | 696,516,279 | 764,915,026 |
| Surplus for the year | - | - | 35,616,358 | 35,616,358 |
| Transfer to capital replacement reserve | 16,000,000 | - | (16,000,000) | - |
| Property, plant and equipment purchases | (2,150,006) | (54,315) | 2,204,321 | - |
| | 79,307,027 | 2,887,399 | 718,336,958 | 800,531,384 |

Ring-fenced internal funds and reserves within accumulated surplus - 2021

| | Capital replacement reserve | Government grant reserve | Accumulated surplus | Total |
|---|-----------------------------|--------------------------|---------------------|--------------------|
| Opening balance | 70,766,026 | 3,155,272 | 654,561,767 | 728,483,065 |
| Surplus for the year | - | - | 36,431,962 | 36,431,962 |
| Property, plant and equipment purchases | (5,308,992) | (213,558) | 5,522,550 | - |
| | 65,457,034 | 2,941,714 | 696,516,279 | 764,915,027 |

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15. Provisions

Reconciliation of provisions - 2022

| | Opening Balance | Additions | Utilised during the year | Total |
|------------------------------|--------------------|-----------|--------------------------------|--------|
| Provision (Insurance claims) | 6,440 | 43,276 | (6,440) | 43,276 |

Reconciliation of provisions - 2021

| | Opening Balance | Additions | Utilised during the year | Total |
|------------------------------|--------------------|-----------|--------------------------------|-------|
| Provision (Insurance claims) | 57,263 | 6,440 | (57,263) | 6,440 |

The provision relates to insurance claims, which were not finalised at year end, but were finalised before the financial statements was authorised for issue.

16. Service charges

| | | |
|----------------------|---------|---------|
| Fire service charges | 182,762 | 194,644 |
|----------------------|---------|---------|

17. Rental of facilities and equipment

| | | |
|----------|----------------|----------------|
| Premises | 229,048 | 238,615 |
| | 229,048 | 238,615 |

The lease agreement between CWDM and the lessee came to an end on 30 June 2022.

18. Roads services

| | | |
|--|-------------|-------------|
| Department of Transport and Public Works | 105,635,889 | 105,032,933 |
|--|-------------|-------------|

The municipality has a service level agreement with the WCPG, The Department of Transport and Public Works for rendering of services regarding the roads function within the jurisdiction of the CWDM.

The allocation received from the Department of Transport and Public Works was revised to R103 020 000 (Previous: R117 080 000) during quarter three of the current financial year.

19. Other income

| | | |
|-----------------------------------|------------------|------------------|
| Brokerage | 63,223 | 60,716 |
| LG SETA refund | 384,462 | 252,413 |
| Electricity income (Eerste Begin) | 21,157 | 12,944 |
| Insurance income | 54,612 | 208,613 |
| Tender document income | 1,052 | 765 |
| Municipal health income | 739,566 | 669,682 |
| Miscellaneous income | 47,055 | 10,985 |
| | 1,311,127 | 1,216,118 |

20. Investment revenue

| | | |
|-------------------------|------------|------------|
| Interest on investments | 40,295,365 | 38,231,810 |
|-------------------------|------------|------------|

Cape Winelands District Municipality

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21. Government grants & subsidies

Operating grants

| | | |
|---|---------------------------|---------------------------|
| Equitable share | 2,662,000 | 2,512,000 |
| Sandhills - toilet hire | 498,134 | 984,484 |
| RSC Levy Replacement grant | 242,546,000 | 236,373,000 |
| Expanded Public Works Programme Integrated Grant for Municipalities | 1,313,000 | 1,503,000 |
| Community development workers (CDW) operational support grant | 41,081 | 8,760 |
| Local government financial management grant | 845,068 | 1,000,000 |
| Local government internship grant | 55,545 | 128,455 |
| Integrated transport planning | 1,050,134 | 952,795 |
| Joint district and metro approach | 2,000,000 | - |
| Safety initiative implementation - Whole of society approach (WOSA) | 2,263,681 | 2,134,550 |
| | <u>253,274,643</u> | <u>245,597,044</u> |

Conditional and Unconditional

Included in above are the following grants and subsidies received:

| | | |
|----------------------------|---------------------------|---------------------------|
| Equitable share | 2,662,000 | 2,512,000 |
| RCS Levy Replacement grant | 242,546,000 | 236,373,000 |
| | <u>245,208,000</u> | <u>238,885,000</u> |

Equitable Share

The Equitable Share is the conditional share of the revenue raised nationally and is allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

Community development workers (CDW) operational support grant

| | | |
|---|-----------------------|-----------------------|
| Balance unspent at beginning of year | 169,127 | 102,887 |
| Current-year receipts | 76,000 | 75,000 |
| Conditions met - transferred to revenue | (41,081) | (8,760) |
| | <u>204,046</u> | <u>169,127</u> |

Conditions still to be met - remain liabilities (see note 11).

Strategic Objective: Community Development and Planning Services.

To provide financial assistance to municipalities to cover the operational and capital costs pertaining to the line functions of the community development workers including the supervisors and regional coordinators.

Integrated transport planning

| | | |
|---|-----------------------|-----------------------|
| Balance unspent at beginning of year | 822,456 | 875,250 |
| Current-year receipts | 900,000 | 900,000 |
| Conditions met - transferred to revenue | (1,050,134) | (952,794) |
| | <u>672,322</u> | <u>822,456</u> |

Conditions still to be met - remain liabilities (see note 11).

Strategic Objective: Technical Services.

The funds were utilised to review and update municipal Integrated Transport Plans in terms of the National Land Transport Act, 2009 (Act No. 5 of 2009).

Cape Winelands District Municipality

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| | 2022 | 2021 |
|--|------|------|
|--|------|------|

21. Government grants & subsidies (continued)

Local government financial management grant

| | | |
|---|----------------|-------------|
| Balance unspent at beginning of year | - | - |
| Current-year receipts | 1,000,000 | 1,000,000 |
| Conditions met - transferred to revenue | (845,068) | (1,000,000) |
| | <u>154,932</u> | <u>-</u> |

Conditions still to be met - remain liabilities (see note 11).

Strategic Objective: Financial and Strategic Support Services.

To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act.

This grant was mainly utilised to improve on the municipality's audit outcome, the upgrade and maintenance of financial management systems and to implement National Treasury's internship programme.

Fire service capacity building grant

| | | |
|--------------------------------------|------------------|------------------|
| Balance unspent at beginning of year | 1,046,000 | 1,046,000 |
| | <u>1,046,000</u> | <u>1,046,000</u> |

Conditions still to be met - remain liabilities (see note 11).

Strategic Objective: Community Development and Planning Services.

To provide financial assistance to municipalities to ensure functional emergency communication, mobilisation systems and fire services.

Water and sanitation

| | | |
|--------------------------------------|----------|----------|
| Balance unspent at beginning of year | - | 35,560 |
| Refund of unspent portion | - | (35,560) |
| | <u>-</u> | <u>-</u> |

Strategic Objective: Technical Services

No funds were utilised during the 2019/2020 financial year and the funds were repaid to the Department of Human Settlements during the 2020/2021 financial year.

Sandhills-toilet hire

| | | |
|---|-----------|-----------|
| Balance unspent at beginning of year | - | - |
| Current-year receipts | 498,134 | 984,484 |
| Conditions met - transferred to revenue | (498,134) | (984,484) |
| | <u>-</u> | <u>-</u> |

Strategic Objective: Technical Services.

The allocation is made to the municipality by the Department of Transport and Public Works as a refund for temporary toilets hired in Sandhills.

Cape Winelands District Municipality

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21. Government grants & subsidies (continued)

Local Government Public Employment Support Grant

| | | |
|-----------------------|---------|---|
| Current-year receipts | 200,000 | - |
|-----------------------|---------|---|

Conditions still to be met - remain liabilities (see note 11).

Strategic Objective: The Office of the Municipal Manager

To coordinate and ensure the implementation of targeted, short term public employment programmes for communities identified as being in distress, through conditional transfers to local and district municipalities and the Metro in the Western Cape.

Joint District and Metro Approach Grant

| | | |
|---|-------------|---|
| Current-year receipts | 2,000,000 | - |
| Conditions met - transferred to revenue | (2,000,000) | - |
| | - | - |

Strategic Objective: The Office of the Municipal Manager

To provide financial assistance to district municipalities to implement catalytic projects to improve infrastructure, systems, structures and service delivery.

Rural Roads Asset Management Systems grant (RRAMS)

| | | |
|--------------------------------------|------------------|------------------|
| Balance unspent at beginning of year | 2,711,000 | 2,849,000 |
| Current-year receipts | 2,748,000 | 2,711,000 |
| Refund unspent portion | (2,711,000) | (2,849,000) |
| | 2,748,000 | 2,711,000 |

Conditions still to be met - remain liabilities (see note 11).

Strategic Objective: Technical Services.

The purpose is to assist rural district municipalities in setting up their road asset management systems and collect road and traffic data in line with the Road Infrastructure Strategic Framework for South Africa (RISFSA).

Local Government Internship Grant

| | | |
|---|---------------|---------------|
| Balance unspent at beginning of year | 31,545 | 160,000 |
| Current-year receipts | 70,000 | - |
| Conditions met - transferred to revenue | (55,545) | (128,455) |
| | 46,000 | 31,545 |

Conditions still to be met - remain liabilities (see note 11).

Strategic Objective: Financial and Strategic Support Services.

The purpose of the grant is to provide financial assistance to municipalities in support of capacity building for the future by means of an internship programme.

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21. Government grants & subsidies (continued)

Safety initiative implementation - Whole of society approach (WOSA)

| | | |
|---|----------------|----------------|
| Balance unspent at beginning of year | 294,601 | 329,151 |
| Current-year receipts | 2,323,000 | 2,100,000 |
| Conditions met - transferred to revenue | (2,263,680) | (2,134,550) |
| | 353,921 | 294,601 |

Conditions still to be met - remain liabilities (see note 11).

Strategic Objective: Community Development and Planning Services.

To enable a resilient, sustainable, quality living environment through the operationalisation of a Safety Plan.

Expanded Public Works Programme Integrated Grant for Municipalities

| | | |
|---|----------------|-------------|
| Current-year receipts | 1,413,000 | 1,503,000 |
| Conditions met - transferred to revenue | (1,313,000) | (1,503,000) |
| | 100,000 | - |

Conditions still to be met - remain liabilities (see note 11).

Strategic Objective: Financial and Strategic Support Services, Community Development & Planning Services and Technical Services.

This grant incentivises the municipality to expand job creation efforts through the use of labour intensive delivery methods in various identified focus areas, in compliance with the Expanded Public Works Programme Guidelines.

The grant contributed towards increased levels of employment in areas where unemployment is relatively high as well as providing work experience and gaining expertise through in house training.

22. Public contributions and donations

| | | |
|------------------------------------|---------|--------|
| Public contributions and donations | 938,667 | 17,240 |
|------------------------------------|---------|--------|

Reconciliation of conditional contributions

| | | |
|---|----------------|----------------|
| Balance unspent at beginning of year | 260,592 | 727,945 |
| Current-year receipts | 929,080 | - |
| Conditions met - transferred to revenue | (938,667) | (17,240) |
| Refund of unspent portion | - | (450,113) |
| | 251,005 | 260,592 |

Conditions still to be met - remain liabilities (see note 11)

| 2022 | Balance unspent at beginning of year | Current year receipts | Conditions met - transferred to revenue | Refund of unspent portion | Balance unspent at the end of the year |
|-------------------------|--------------------------------------|-----------------------|---|---------------------------|--|
| Road station road Ceres | 260,592 | - | (9,587) | - | 251,005 |
| Donation: Nieuwedrift | - | 840,000 | (840,000) | - | - |
| Donation: Laptops | - | 89,080 | (89,080) | - | - |
| | 260,592 | 929,080 | (938,667) | - | 251,005 |

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| Figures in Rand | | | 2022 | 2021 | |
|--|---|------------------------------|--|----------------------------------|---|
| 22. Public contributions and donations (continued) | | | | | |
| 2021 | Balance unspent at beginning of year | Current year receipts | Conditions met - transferred to revenue | Refund of unspent portion | Balance unspent at the end of the year |
| Road station road Ceres | 277,832 | - | (17,240) | - | 260,592 |
| Upgrade of Rural Roads: De Novo | 450,113 | - | - | (450,113) | - |
| | 727,945 | - | (17,240) | (450,113) | 260,592 |
| 23. Employee related costs | | | | | |
| Basic | | | | 125,505,846 | 121,712,558 |
| Bonus | | | | 9,784,549 | 9,817,509 |
| Medical aid - company contributions | | | | 12,700,772 | 12,492,678 |
| UIF | | | | 878,427 | 771,951 |
| WCA | | | | 1,069,362 | 976,739 |
| Leave pay provision charge | | | | 908,552 | 2,606,703 |
| Defined contribution plans | | | | 21,218,567 | 20,644,967 |
| Travel, motor car, accommodation, subsistence and other allowances | | | | 12,321,954 | 12,274,761 |
| Overtime payments | | | | 8,032,490 | 8,363,816 |
| Acting allowances | | | | 51,921 | 169,296 |
| Housing benefits and allowances | | | | 4,630,094 | 4,801,378 |
| Other allowances | | | | 8,165,063 | 6,691,517 |
| Group schemes | | | | 2,457,987 | 1,535,395 |
| Telephone | | | | 689,855 | 697,111 |
| Performance bonus | | | | 1,150,225 | 630,219 |
| Current service cost | | | | 2,957,000 | 2,667,000 |
| Actuarial loss / (gain) | | | | (6,370,462) | (9,782,448) |
| | | | | 206,152,202 | 197,071,150 |
| 2022 | Long service awards | Ex gratia | PRMA | Less: Funded asset | Total |
| Current service cost | 881,000 | - | 2,946,000 | (870,000) | 2,957,000 |
| Net actuarial (gains)/ losses recognised | 145,400 | 39,524 | (7,501,911) | 946,525 | (6,370,462) |
| | 1,026,400 | 39,524 | (4,555,911) | 76,525 | (3,413,462) |
| 2021 | Long service awards | Ex gratia | PRMA | Less: Funded asset | Total |
| Current service cost | 852,000 | - | 2,618,000 | (803,000) | 2,667,000 |
| Net actuarial (gains)/ losses recognised | 115,006 | 245,170 | (7,443,229) | (2,699,395) | (9,782,448) |
| | 967,006 | 245,170 | (4,825,229) | (3,502,395) | (7,115,448) |

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23. Employee related costs (continued)

Remuneration of senior management

| 2022 | Basic salary | Car allowance | Performance bonuses | Contribution to UIF, medical and pension funds | Other | Total |
|---|------------------|------------------|---------------------|--|----------------|------------------|
| Municipal Manager | 1,255,967 | 360,000 | 237,800 | 84,731 | 24,000 | 1,962,498 |
| Chief Financial Officer | 1,133,971 | 240,000 | 222,331 | 272,771 | 24,000 | 1,893,073 |
| ED: Community development and planning services | 1,095,369 | 300,000 | 199,844 | 34,216 | 24,000 | 1,653,429 |
| ED: Technical services | 1,204,923 | 150,000 | 222,331 | 272,974 | 24,000 | 1,874,228 |
| | 4,690,230 | 1,050,000 | 882,306 | 664,692 | 96,000 | 7,383,228 |
| 2021 | Basic Salary | Car allowance | Performance bonuses | Contribution to UIF, medical and pension funds | Other | Total |
| Municipal Manager | 1,260,503 | 360,000 | 169,857 | 79,883 | 24,000 | 1,894,243 |
| Chief Financial Officer | 997,776 | 240,000 | 151,246 | 243,964 | 132,154 | 1,765,140 |
| ED: Community development and planning services | 1,096,848 | 300,000 | 70,520 | 32,424 | 24,000 | 1,523,792 |
| ED: Technical services | 1,161,269 | 150,000 | 151,246 | 253,417 | 24,000 | 1,739,932 |
| | 4,516,396 | 1,050,000 | 542,869 | 609,688 | 204,154 | 6,923,107 |

The following accrued to key management personnel in terms of GRAP 25 at year end:

Staff leave

| | | |
|---|----------------|----------------|
| Municipal Manager | 322,510 | 205,211 |
| Chief Financial Officer | 72,654 | 57,401 |
| ED: Community development and planning services | 45,862 | 68,793 |
| ED: Technical Services | 66,049 | 89,290 |
| | 507,075 | 420,695 |

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24. Remuneration of councillors

| | | |
|-------------------|-------------------|-------------------|
| Executive Mayor | 1,045,223 | 1,091,397 |
| Deputy Mayor | 535,226 | 554,727 |
| Speaker | 843,164 | 881,997 |
| Other Councillors | 10,320,892 | 10,129,062 |
| | 12,744,505 | 12,657,183 |

| 2022 | Salaries | Contribution to medical and pension funds | Car allowance | Other | Total |
|--------------------------|------------------|---|------------------|------------------|-------------------|
| Executive Mayor | 361,976 | 106,796 | 169,337 | 407,114 | 1,045,223 |
| Deputy Mayor - D Swart | 160,367 | - | 43,857 | - | 204,224 |
| Deputy Mayor - M Sampson | 257,691 | 13,312 | 60,000 | - | 331,003 |
| Speaker - C Meyer | 230,961 | 27,732 | 36,168 | 27,083 | 321,944 |
| Speaker - D Joubert | 402,033 | 30,697 | 64,853 | 23,636 | 521,219 |
| Other Councillors | 7,887,635 | 351,714 | 1,459,220 | 622,324 | 10,320,893 |
| | 9,300,663 | 530,251 | 1,833,435 | 1,080,157 | 12,744,506 |

| 2021 | Salaries | Contribution to medical and pension funds | Car allowance | Other | Total |
|-------------------|------------------|---|------------------|------------------|-------------------|
| Executive Mayor | 364,712 | 110,162 | 180,000 | 436,523 | 1,091,397 |
| Deputy Mayor | 432,026 | - | 122,701 | - | 554,727 |
| Speaker | 627,609 | 78,799 | 101,189 | 74,400 | 881,997 |
| Other Councillors | 7,390,092 | 329,918 | 1,743,052 | 666,000 | 10,129,062 |
| | 8,814,439 | 518,879 | 2,146,942 | 1,176,923 | 12,657,183 |

The salaries, allowances and benefits of Councillors are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act and the MEC of local government in the province's determination in accordance with this Act.

25. Depreciation and amortisation

| | | |
|-------------------------------|------------------|------------------|
| Property, plant and equipment | 9,670,587 | 9,109,939 |
| Intangible assets | 130,468 | 128,379 |
| | 9,801,055 | 9,238,318 |

26. Debt impairment

| | | |
|-----------------|---------|--------|
| Debt impairment | 113,215 | 32,597 |
|-----------------|---------|--------|

27. Finance costs

| | | |
|-------------------|------------|------------|
| Employee benefits | 13,896,000 | 16,985,000 |
|-------------------|------------|------------|

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|--|-------------------|-------------------|
| 28. Transfer and subsidies | | |
| Grants in aid | | |
| Community and Social Services | 180,000 | 299,025 |
| Farmer households | 389,996 | 1,138,499 |
| Sport and recreation | - | 564,146 |
| Private Enterprises | 500,000 | 960,566 |
| | 1,069,996 | 2,962,236 |
| Monetary allocations | | |
| Fire services | 250,000 | 250,000 |
| Farmer households | 1,681,865 | 1,185,000 |
| Community and social services | 350,000 | 329,982 |
| Social relief | 361,525 | 399,995 |
| Tourism | 2,250,000 | 2,269,873 |
| Sport and recreation | 1,325,000 | 1,276,334 |
| Support to Local Municipalities | 9,700,000 | 3,500,000 |
| | 15,918,390 | 9,211,184 |
| | 16,988,386 | 12,173,420 |
| 29. Contracted services | | |
| Outsourced Services | | |
| Alien Vegetation Control | 1,656,474 | 1,711,716 |
| Burial Services | - | 12,250 |
| Business and Advisory | 470,438 | 2,407,133 |
| Cleaning Services | 649,181 | 323,624 |
| Clearing and Grass Cutting Services | 478,261 | 2,266,276 |
| Hygiene Services | 880,323 | 1,508,980 |
| Professional Staff | 1,205,517 | 110,630 |
| Security Services | 2,442,656 | 1,822,990 |
| Translators, Scribes and Editors | 224,993 | 171,673 |
| Consultants and Professional Services | | |
| Business and advisory | 3,293,965 | 4,081,977 |
| Infrastructure and planning | 213,386 | 1,184,575 |
| Laboratory services | 1,738,529 | 1,812,430 |
| Legal cost | 469,071 | 140,967 |
| Contractors | | |
| Artists and Performers | 2,000 | 460,100 |
| Audio-visual Services | 1,850 | 14,709 |
| Catering Services | 1,398,266 | 293,012 |
| Employee Wellness | 194,071 | 150,135 |
| Fire Services | 11,956,626 | 8,340,441 |
| Gardening Services | 175,723 | 75,367 |
| Graphic Designers | 26,580 | 3,520 |
| Maintenance of Buildings, Facilities, Equipment and Unspecified Assets | 5,417,475 | 4,759,285 |
| Medical Services | - | 5,100 |
| Pest Control and Fumigation | 64,139 | 3,522 |
| Photographer | 14,950 | 7,929 |
| Plants, Flowers and Other Decorations | 22,603 | 930 |
| Transportation | 126,881 | 16,417 |
| Stage and Sound Crew | 101,138 | 21,789 |
| | 33,225,096 | 31,707,477 |

Cape Winelands District Municipality

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|---|-------------------|-------------------|
| 30. General expenses | | |
| Achievements and awards | 203,568 | 17,174 |
| Advertising, publicity and marketing | 2,618,880 | 3,496,831 |
| Auditors remuneration | 2,573,272 | 2,308,865 |
| Bank charges, facility and card fees | 240,270 | 264,812 |
| Bargaining council | 58,545 | 56,301 |
| Bursaries (employees) | - | 21,915 |
| Chemicals | 155,700 | 149,453 |
| Cleaning materials | 234,523 | 302,553 |
| Communications | 4,726,229 | 4,285,384 |
| Consumables | 733,442 | 1,159,680 |
| Courier and delivery services | 209 | 52,508 |
| Deeds | 1,119 | 1,932 |
| Drivers licenses and permits | 17,730 | 15,696 |
| Entertainment | 38,541 | 20,159 |
| External computer services | 5,827,885 | 6,811,240 |
| Full time union representatives | 25,772 | 74,193 |
| Hire charges | 6,796,528 | 6,938,012 |
| Insurance underwriting | 3,480,066 | 2,405,379 |
| Licenses | 118,876 | 87,664 |
| Materials and supplies | 15,611,083 | 22,918,322 |
| Municipal services | 6,325,262 | 6,372,590 |
| Parking fees | 250 | - |
| Printing and stationery | 1,140,386 | 1,299,161 |
| Printing, publication and books | 499,566 | 297,299 |
| Refreshments | 277,870 | 191,206 |
| Professional bodies, membership and subscription | 2,205,600 | 2,152,063 |
| Registration fees | 75,348 | 24,904 |
| Road worthy test | 17,955 | 11,190 |
| Skill development fund levy | 1,839,274 | 1,506,311 |
| Tollgate fees | 239,746 | 207,453 |
| Transport provided as part of departmental activities | 943,803 | 215,807 |
| Travel and subsistence | 1,237,440 | 546,897 |
| Uniforms and protective clothing | 2,821,466 | 977,985 |
| Vehicle tracking | 215,903 | 394,207 |
| Wet fuel | 11,548,633 | 8,049,544 |
| | 72,850,740 | 73,634,690 |
| 31. Auditors' remuneration | | |
| Fees | 2,573,272 | 2,308,865 |

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32. Prior period errors

The prior year has been amended to account for prior period errors.

Below is a summary of the total effect that the prior period errors, changes in accounting policies and reclassifications had on the amount previously disclosed in the annual financial statements, followed by a description of each individual prior period error with the amount involved.

Statement of Financial Position

| | Audited | Prior year error | Reclassifications | Restated |
|--|--------------------|------------------|-------------------|--------------------|
| Assets | | | | |
| Current Assets | | | | |
| Cash and cash equivalents | 766,153,639 | - | - | 766,153,639 |
| Trade receivables from exchange transactions | 60,986 | - | - | 60,986 |
| Other receivables from exchange transactions | 21,300,097 | - | - | 21,300,097 |
| Receivables from non-exchange transactions | 83,869 | - | - | 83,869 |
| Inventories | 2,761,197 | - | - | 2,761,197 |
| VAT receivable | 1,715,323 | - | - | 1,715,323 |
| Employee benefit asset | 910,196 | 1,569,804 | - | 2,480,000 |
| | 792,985,307 | 1,569,804 | - | 794,555,111 |
| Non-Current Assets | | | | |
| Property, plant and equipment | 154,720,923 | - | - | 154,720,923 |
| Intangible assets | 579,258 | 79,668 | - | 658,926 |
| Employee benefit asset | - | 8,075,196 | - | 8,075,196 |
| | 155,300,181 | 8,154,864 | - | 163,455,045 |
| Total Assets | 948,285,488 | 9,724,668 | - | 958,010,156 |
| Liabilities | | | | |
| Current Liabilities | | | | |
| Payables from exchange transactions | 7,421,618 | - | - | 7,421,618 |
| Unspent conditional grants and receipts | 5,335,321 | - | - | 5,335,321 |
| Provisions | 6,440 | - | - | 6,440 |
| Employee benefit obligation | 35,622,748 | - | - | 35,622,748 |
| | 48,386,127 | - | - | 48,386,127 |
| Non-Current Liabilities | | | | |
| Employee benefit obligation | 144,709,001 | - | - | 144,709,001 |
| Total Liabilities | 193,095,128 | - | - | 193,095,128 |
| Net Assets | 755,190,360 | 9,724,668 | - | 764,915,028 |
| Net Assets | | | | |
| Accumulated surplus | 755,190,360 | 9,724,668 | - | 764,915,028 |

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|-----------------|------|------|
|-----------------|------|------|

32. Prior period errors (continued)

32.1 Employee benefit asset

| | |
|------------------------------|------------------|
| Balance previously reported | 910,196 |
| Change in short term portion | 1,569,804 |
| | <u>2,480,000</u> |

During the 30 June 2021 actuarial valuation, the actuaries allocated certain members to the incorrect category between Roads and Non- Roads. This error resulted in the Roads portion being undervalued and the Non- Roads being overvalued in the previous valuation.

32.2 Intangible assets

| | |
|-----------------------------|----------------|
| Balance previously reported | 579,258 |
| Website cost | 79,668 |
| | <u>658,926</u> |

The new website costs were incorrectly accounted for as operational expenditure in the 2020/2021 financial year. The website cost payments were for the development of a new website in the financial year and therefore meets the definition of an intangible asset. The error impacted the cost of Intangible assets, R79 668 and the surplus realised, R79 668 for 2020/2021 financial year.

32.3 Employee benefit asset

| | |
|-----------------------------|------------------|
| Balance previously reported | - |
| Change in long term portion | 8,075,196 |
| | <u>8,075,196</u> |

During the 30 June 2021 actuarial valuation, the actuaries allocated certain members to the incorrect category between Roads and Non- Roads. This error resulted in the Roads portion being undervalued and the Non- Roads being overvalued in the previous valuation.

32.4 Accumulated surplus

| | |
|---------------------------------|--------------------|
| Balance previously reported | 755,190,360 |
| * Intangible Asset - Cost | 79,668 |
| ** Actuarial loss - Roads | 9,645,711 |
| ** Current Service Cost - Roads | (416) |
| ** Interest Cost - Roads | (295) |
| | <u>764,915,028</u> |

*The new website costs were incorrectly accounted for as operational expenditure in the 2020/2021 financial year. The website cost payments were for the development of a new website in the financial year and therefore meets the definition of an intangible asset. The error impacted the cost of Intangible assets, R79 668 and the surplus realised, R79 668 for 2020/2021 financial year.

**During the 30 June 2021 actuarial valuation, the actuaries allocated certain members to the incorrect category between Roads and Non- Roads. This error resulted in the Roads portion being undervalued and the Non- Roads being overvalued in the previous valuation.

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32. Prior period errors (continued)

Statement of Financial Performance

| | Audited | Prior year error | Reclassifications | Restated |
|---|----------------------|------------------|-------------------|----------------------|
| Revenue | | | | |
| Revenue from exchange transactions | | | | |
| Service charges | 194,644 | - | - | 194,644 |
| Rental of facilities and equipment | 238,615 | - | - | 238,615 |
| Roads services | 105,032,933 | - | - | 105,032,933 |
| Other income | 1,216,118 | - | - | 1,216,118 |
| Interest received - investment | 38,231,810 | - | - | 38,231,810 |
| Total revenue from exchange transactions | 144,914,120 | - | - | 144,914,120 |
| Revenue from non-exchange transactions | | | | |
| Transfer revenue | | | | |
| Government grants & subsidies | 245,597,044 | - | - | 245,597,044 |
| Public contributions and donations | 17,240 | - | - | 17,240 |
| Total revenue from non-exchange transactions | 245,614,284 | - | - | 245,614,284 |
| Total revenue | 390,528,404 | - | - | 390,528,404 |
| Expenditure | | | | |
| Employee related costs | (223,701,150) | 9,645,000 | 16,985,000 | (197,071,150) |
| Remuneration of councillors | (12,657,183) | - | - | (12,657,183) |
| Finance cost | - | - | (16,985,000) | (16,985,000) |
| Depreciation and amortisation | (9,238,318) | - | - | (9,238,318) |
| Lease rentals on operating lease | (338,536) | - | - | (338,536) |
| Debt impairment | (32,597) | - | - | (32,597) |
| Contracted services | (31,787,145) | 79,668 | - | (31,707,477) |
| Transfers and subsidies | (12,173,420) | - | - | (12,173,420) |
| General Expenses | (73,634,690) | - | - | (73,634,690) |
| Total expenditure | (363,563,039) | 9,724,668 | - | (353,838,371) |
| Operating surplus | 26,965,365 | 9,724,668 | - | 36,690,033 |
| Loss on disposal of assets | (167,052) | - | - | (167,052) |
| Inventories losses/ write-downs | (91,017) | - | - | (91,017) |
| | (258,069) | - | - | (258,069) |
| Surplus for the year | 26,707,296 | 9,724,668 | - | 36,431,964 |

32.5 Employee related costs

| | |
|-------------------------------------|----------------------|
| Balance previously reported | (223,701,150) |
| *Actuarial loss - Roads | 9,645,711 |
| *Current Service Cost - Roads | (416) |
| *Interest cost - Roads | (295) |
| **Contribution to employee benefits | 16,985,000 |
| | (197,071,150) |

*During the 30 June 2021 actuarial valuation, the actuaries allocated certain members to the incorrect category between Roads and Non- Roads. This error resulted in the Roads portion being undervalued and the Non- Roads being overvalued in the previous valuation.

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32. Prior period errors (continued)

**Contribution to employee benefits were reclassified in terms of the nature of the expenditure and to ensure fair presentation of the financial statements.

32.6 Finance cost

| | |
|-----------------------------|---------------------|
| Balance previously reported | - |
| Employee benefit obligation | (16,985,000) |
| | (16,985,000) |

32.7 Contracted services

| | |
|-----------------------------|---------------------|
| Balance previously reported | (31,787,145) |
| Graphic designers | 79,668 |
| | (31,707,477) |

The new website costs were incorrectly accounted for as operational expenditure in the 2020/2021 financial year. The website cost payments were for the development of a new website in the financial year and therefore meets the definition of an intangible asset. The error impacted the cost of Intangible assets, R79 668 and the surplus realised, R79 668 for 2020/2021 financial year.

32.8 Additional disclosure

Capital commitments

| | | |
|-----------------------------|---------------|---|
| Balance previously reported | - | - |
| Intangible assets | 38,157 | - |
| | 38,157 | - |

Capital commitments relating to Intangible Assets of R38 157 for the development of the website was not disclosed as a commitment in the 2020/2021 financial year.

33. Cash generated from operations

| | | |
|--|-------------------|-------------------|
| Surplus | 35,616,357 | 36,431,964 |
| Adjustments for: | | |
| Depreciation and amortisation | 9,801,055 | 9,238,318 |
| Loss on sale of assets and liabilities | 132,468 | 167,052 |
| Finance costs | 13,896,000 | 16,985,000 |
| Public contributions and donations | (929,080) | - |
| Debt impairment | 113,215 | 32,597 |
| Movements in retirement benefit assets and liabilities | 9,192,183 | 6,292,623 |
| Inventory write off | 49,320 | 91,017 |
| Changes in working capital: | | |
| Other receivables from exchange transactions | (25,513,957) | 4,288,666 |
| Trade receivables from exchange transactions | (52,229) | (18,802) |
| Other receivables from non-exchange transactions | (38,572) | 229,661 |
| Movement in provisions | 36,836 | (50,823) |
| Payables from exchange transactions | 501,408 | (3,355,661) |
| VAT | (739,757) | (273,919) |
| Unspent conditional grants and receipts | 440,905 | (1,170,472) |
| Inventories | 733,360 | 36,754 |
| Employee benefit obligation | (16,516,550) | (10,462,054) |
| Long term receivable | 2,620,547 | (6,522,945) |
| | 29,343,509 | 51,938,976 |

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34. Financial instruments

Financial risk management

The accounting policy for financial instruments were applied to the following Statement of Financial Position items:

Financial assets at amortised cost

| | | |
|--|--------------------|--------------------|
| Trade receivables from exchange transactions | - | 60,986 |
| Other receivables from exchange transactions | 44,512,961 | 18,997,269 |
| Receivables from non-exchange transactions | 122,441 | 83,869 |
| Cash and Cash equivalents | 790,328,779 | 766,153,639 |
| | 834,964,181 | 785,295,763 |

Financial liabilities at amortised cost

| | | |
|-------------------------------------|-----------|-----------|
| Payables from exchange transactions | 4,912,888 | 7,421,619 |
|-------------------------------------|-----------|-----------|

Refer to notes 3, 4, 5 ,8 and 12 for additional disclosures.

Liquidity risk

The municipality has limited exposure to liquidity risk and is able to meet its financial obligations as it falls due. The municipality limits exposure to liquidity risk by ensuring all liabilities are cash backed.

The following are contractual maturities of financial assets and liabilities.

| At 30 June 2022 | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years |
|-------------------------------------|------------------|-----------------------|-----------------------|--------------|
| Payables from exchange transactions | 4,912,888 | - | - | - |

| 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 | 7,421,619 | - | - | - |

Credit risk

Credit risk consists mainly of cash and cash equivalents. The municipality invests cash with multiple banks, limiting exposure to any one counter-party.

The carrying amount of receivables and cash and cash equivalents represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

| Financial assets at amortised cost | 2022 | 2021 |
|--|-------------|-------------|
| Other receivables from exchange transactions | 44,512,961 | 18,997,269 |
| Trade receivables from exchange transactions | - | 60,986 |
| Cash and cash equivalents | 790,328,779 | 766,153,639 |
| Receivables from non- exchange transactions | 122,441 | 83,869 |

Fair Values

Due to their short maturities the fair values of all financial instruments are substantially identical to the values reflected in the Statement of Financial Position.

There were no changes in the municipality's approach to financial risk management from the prior year.

Interest rate risk

The municipality's exposure to interest rate risk and effective interest rate on financial instruments at balance sheet date are as follows:

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34. Financial instruments (continued)

The council has no outstanding loans as at 30 June 2022 (2021: R nil). The average interest rate on investments is 5.15% (2021: 5.14%). The municipality invest with multiple banks with varying interest rates linked to the prime rate.

Market risk

It is the risk that changes in market prices, such as foreign currency exchange rates and interest rates that will affect the municipality's projected income. The municipality does not hold any assets that are impacted by changes in the market.

Foreign currency risk is deemed to be minimal as very few foreign currency transactions are conducted.

There were no changes in the municipality's approach to financial risk management from the prior year.

35. Going concern

We draw attention to the fact that at 30 June 2022, the municipality had an accumulated surplus of R 800 809 089 (2021: R 764 915 028).

The 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.

With the abolishment of the Regional Services Council Levies on 30 June 2006, the CWDM is dependent on Government Grants, including the Equitable Share, for approximately 63% of the municipality's revenue. In addition, funds received for Roads services account for a further 26%.

36. Unauthorised expenditure

No unauthorised expenditure were incurred and identified for the current and previous financial years.

37. Fruitless and wasteful expenditure

No fruitless and wasteful expenditure was identified and/or incurred during the current and prior financial year.

38. Irregular expenditure

| | | |
|---|----------|------------------|
| Opening balance as previously reported | - | - |
| Correction of prior period error | - | 1,486,022 |
| Opening balance as restated | - | 1,486,022 |
| Add: Irregular Expenditure - current | - | - |
| Add: Irregular Expenditure - prior period | - | - |
| Less: Amounts recoverable - current | - | - |
| Less: Amounts recoverable - prior period | - | - |
| Less: Amount written off - prior period | - | (1,486,022) |
| Closing balance | - | - |

Cases under investigation

In the current and prior year there are no cases under investigation related to non-compliance with laws, regulations, council policies and/or by-laws.

In the current and prior year there are no cases under investigation related to non-compliance with procurement process requirements.

Amounts written off

No amounts were written off in the current year.

Cape Winelands District Municipality

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|--|------|-----------|
| 38. Irregular expenditure (continued) | | |
| In the prior year, an amount of R1 486 022 was written off. All consequence management processes have been concluded and the necessary actions and measures and have been applied. | | |
| An expansion was made on a contract for an appointed consulting engineer without following the process in terms of the SCM Policy of the Municipality and Section 116(3) of the MFMA. Payments were made in terms of a contract with a consulting engineer where delays in completion resulted in additional fees and where the amounts charged, exceeded the allowable fee that is based on the sub-appointed contractor's costs. | | |
| Local Government: Municipal Finance Management Act and Supply Chain Management Policy | - | 1,486,022 |

39. Contingencies

39.1 Contingent liabilities

(i) 2022: The status of the delictual claim for damages in the amount of R451 000 against Cape Winelands District Municipality and the Minister of Transport and Public Works by a Mr P Afrika allegedly arising from an accident in July 2008. At pre-trial conference, it was decided that the matter is to be transferred from the High Court to the Magistrate's Court. This has the effect that the potential liability of the Municipality is reduced to approximately R100 000. The said process is currently pending. It is not yet practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence, the disclosure of the value is not possible.

(2021: The status remains the same as reported on the previous year of the delictual claim for damages in the amount of R451 000 against Cape Winelands District Municipality and the Minister of Transport and Public Works by a Mr P Afrika allegedly arising from an accident in July 2008. At pre-trial conference, it was decided that the matter is to be transferred from the High Court to the Magistrate's Court. This has the effect that the potential liability of the Municipality is reduced to approximately R100 000. The said process is currently pending. It is not yet practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence, the disclosure of the value is not possible.)

(ii) 2022: The status of the claim, where the plaintiff included the Cape Winelands District Municipality as the second of three defendants in this matter are currently awaiting a trial date. The insurance brokers of the municipality who are currently dealing with the matter: Mariska Cordy/Cape Winelands District Municipality/Stellenbosch Municipality states that that pre-trial proceeded and the matter was adjourned until 15 October 2018 to enable the parties to comply with the timetable set out in the agreed pre-trial minutes. The settlement per the summons issued amounts to R6 142 100. The settlement amount is to be paid by the insurance company on behalf of the Municipality and it would be expected of the Municipality to only pay the excess amount which has not been determined as yet. It is not yet practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence, the disclosure of the value is not possible.

(2021: The status of the claim, where the plaintiff included the Cape Winelands District Municipality as the second of three defendants in this matter, is the same as previously report that the parties are currently awaiting a trial date. The insurance brokers of the municipality who are currently dealing with the matter: Mariska Cordy/Cape Winelands District Municipality/Stellenbosch Municipality states that that pre-trial proceeded and the matter was adjourned until 15 October 2018 to enable the parties to comply with the timetable set out in the agreed pre-trial minutes. The settlement per the summons issued amounts to R6 142 100. The settlement amount is to be paid by the insurance company on behalf of the Municipality and it would be expected of the Municipality to only pay the excess amount which has not been determined as yet. It is not yet practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence, the disclosure of the value is not possible.)

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39. Contingencies (continued)

(iii) 2022: The status of the claim where the District Municipality was jointly added as a third party, remains the same as reported on in the previous year. Specifically that on 22 January 2018 a Combined Summons was issued by the High Court of South Africa under Case No 728/18 in terms of which the trustees of the Fransie Conrade Trust (the plaintiffs) instituted action against the trustees of the Thera Trust (the defendants) for the damages suffered in the amount of R2 371 525,07 as a result of a fire that started on the property of Thera Trust and which allegedly spread to the property of the Fransie Conradie Trust. On 18 May 2018 a Third Party Notice was served on the District Municipality, in terms of which the Cape Winelands District Municipality was joint as a third party by the defendants (Thera Trust) who avers that the District Municipality is a joint wrongdoer with Thera Trust (the defendant) in that the District Municipality was negligent and that such negligence caused or contributed to the damages suffered by the plaintiff. The matter was reported to the District Municipality's insurers and a fire incident report was accordingly provided, where after a Notice of Intention to Defend was entered. The Cape Winelands District Municipality is currently awaiting the matter to be set down for Pre-trial hearing and thereafter trial. In view of the aforementioned, it is clear that it is not possible at this stage to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence, the disclosure of the value is not possible.

(2021: The status of the claim where the District Municipality was jointly added as a third party, remains the same as reported on in the previous year. Specifically that on 22 January 2018 a Combined Summons was issued by the High Court of South Africa under Case No 728/18 in terms of which the trustees of the Fransie Conrade Trust (the plaintiffs) instituted action against the trustees of the Thera Trust (the defendants) for the damages suffered in the amount of R2 371 525 as a result of a fire that started on the property of Thera Trust and which allegedly spread to the property of the Fransie Conradie Trust. On 18 May 2018 a Third Party Notice was served on the District Municipality, in terms of which the Cape Winelands District Municipality was joint as a third party by the defendants (Thera Trust) who avers that the District Municipality is a joint wrongdoer with Thera Trust (the defendant) in that the District Municipality was negligent and that such negligence caused or contributed to the damages suffered by the plaintiff. The matter was reported to the District Municipality's insurers and a fire incident report was accordingly provided, where after a Notice of Intention to Defend was entered. The Cape Winelands District Municipality is currently awaiting the matter to be set down for Pre-trial hearing and thereafter trial. In view of the aforementioned, it is clear that it is not possible at this stage to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence, the disclosure of the value is not possible.)

(iv) 2022: The status is the same as reported in the previous year. On 1 February 2021 a summons was issued by the High Court of South Africa, Western Cape Division, under Case Number 2023/21 in terms of which the plaintiffs instituted action against the Cape Winelands District Municipality, as the sixth defendant, for damages suffered to the amount of R26 767 475. The plaintiffs claims that a veld of forest fire that happened on or about 5 February 2018 and spread onto the plaintiffs properties from a certain property situated adjacent to the plaintiffs properties. The properties are located within the jurisdiction of the Cape Winelands District Municipality. The plaintiffs claims that the District Municipality owed a general duty of care to the public to prevent the spread of a veldfire and resultant damages by acting reasonably and practically in the circumstances and furthermore to comply with the standard operating procedures in respect of veldfires occurring on days marked with a "Red" or "High - Extreme" Fire Danger Index rating. The District Municipality entered a Notice of Intention to Defend. The relief the plaintiff are seeking is as follows: (a) that the Defendants be held liable for the damages to the amount of R20 667 475, (b) that the Defendants be held liable for the damages to the amount R6 100 000, (c) interest on the aforesaid amounts at the prescribed rate a tempore morae from date of demand alternatively date of summons until date of payment in full, (d) costs of suit, (e) further and/or alternative relief. It is not yet practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence, the disclosure of the value is not possible.

(2021: On 1 February 2021 a summons was issued by the High Court of South Africa, Western Cape Division, under Case Number 2023/21 in terms of which the plaintiffs instituted action against the Cape Winelands District Municipality, as the sixth defendant, for damages suffered to the amount of R26 767 475. The plaintiffs claims that a veld of forest fire that happened on or about 5 February 2018 and spread onto the plaintiffs properties from a certain property situated adjacent to the plaintiffs properties. The properties are located within the jurisdiction of the Cape Winelands District Municipality. The plaintiffs claims that the District Municipality owed a general duty of care to the public to prevent the spread of a veldfire and resultant damages by acting reasonably and practically in the circumstances and furthermore to comply with the standard operating procedures in respect of veldfires occurring on days marked with a "Red" or "High - Extreme" Fire Danger Index rating. The District Municipality entered a Notice of Intention to Defend. The relief the plaintiff are seeking is as follows: (a) that the Defendants be held liable for the damages to the amount of R20 667 475, (b) that the Defendants be held liable for the damages to the amount R6 100 000, (c) interest on the aforesaid amounts at the prescribed rate a tempore morae from date of demand alternatively date of summons until date of payment in full, (d) costs of suit, (e) further and/or alternative relief. It is not yet practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence, the disclosure of the value is not possible.)

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39. Contingencies (continued)

(v) 2022: The status on this claim is that the matter was settled with the plaintiff. A combined summons was issued on 8 December 2020 by the Magistrates Court for the District of Paarl under Case No 2015/2020 in terms of which Hydrotech Design (Pty) Ltd instituted action against a employee of the Cape Winelands District Municipality as the Third Defendant. On 13 May 2020 a collision occurred between the Plaintiff's vehicle and the Defendants vehicle's. On 28 January 2021 a letter of demand was issued by the Plaintiff's attorneys on the Municipality and it's employee for damages suffered to the amount R16 341.75 and legal fees in the sum of R1 500. It is not yet practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence, the disclosure of the value is not possible.

(2021: A combined summons was issued on 8 December 2020 by the Magistrates Court for the District of Paarl under Case No 2015/2020 in terms of which Hydrotech Design (Pty) Ltd instituted action against a employee of the Cape Winelands District Municipality as the Third Defendant. On 13 May 2020 a collision occurred between the Plaintiff's vehicle and the Defendants vehicle's. On 28 January 2021 a letter of demand was issued by the Plaintiff's attorneys on the Municipality and it's employee for damages suffered to the amount R16 342 and legal fees in the sum of R1 500. It is not yet practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence, the disclosure of the value is not possible.)

(vi) 2022: The status on this claim is that the matter was settled with the plaintiff. On 28 January 2021 a letter of demand was issued to the Cape Winelands District Municipality, the insurers of JH van Heerden for damages suffered to the amount of R214 380 in a motor vehicle accident on 8 January 2021. The matter was reported the District Municipality's insurers.

(2021: On 28 January 2021 a letter of demand was issued to the Cape Winelands District Municipality, the insurers of JH van Heerden for damages suffered to the amount of R214 380 in a motor vehicle accident on 8 January 2021. The matter was reported the District Municipality's insurers. It is not yet practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence, the disclosure of the value is not possible.)

vii) 2022: The Municipality is still waiting on the outcome of 4 public liability claims, 42 third party accident claims that were handed over to the state attorneys and / or the Municipality's insurance brokers. It is not practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence the disclosure of the value is not possible.

(2021: The Municipality is still waiting on the outcome of 6 public liability claims, 30 third party accident claims and 1 insurance claims that were handed over to the state attorneys and / or the Municipality's insurance brokers. It is not practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence the disclosure of the value is not possible.)

viii) 2022: On 22 June 2022, the Municipality received a notice from Marlo Laubscher Attorneys regarding an arrears municipal account of R33 732. The municipality currently is still awaiting the outcome of the enquiries it has made regarding the responsibility for the settlement of this arrears account as there are community members residing on the property whom should be responsible for the settlement of the municipal accounts.

ix) 2022: The municipality received a notice from Blignaut Neerahoo Attorneys regarding a contractual dispute for a claim of R402 285. The legal proceedings related to the matter has not yet commenced and there is no certainty that the municipality will be liable for the amount claimed.

39.2 Contingent assets

i) 2022: The Municipality has been informed by the insurance provider that no payment will be made as per the terms of the insurance policy and therefore the municipality no longer has any right to the claim. Based on this, the contingent asset will no longer be disclosed.

(2021: The Municipality is still awaiting the outcome of 1 insurance claims that were not concluded at 30 June 2021. The claims are not specific to the 2020/2021 financial year. It is not practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence the disclosure of the value is not possible.)

Cape Winelands District Municipality

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40. Related parties

The following related parties exist:

Municipal Manager (H.F. Prins)

Chief Financial Officer (F.A. Du Raan-Groenewald)

Executive Director: Community Development and Planning Services (P. Williams)

Executive Director: Technical Services (F.A. van Eck)

Ald. (Dr) H von Schlicht (Mayor: Term ended - 08/11/2021; Appointed Councillor - 09/11/2021 - 01/12/2021; Appointed Mayor - 02/12/2021)

Ald. C Meyer (Speaker: Term ended - 08/11/2021; Appointed - 09/11/2021)

Cllr. D.D.Joubert (Appointed - 09/11/2021; Appointed Speaker - 02/12/2021)

Cllr. G.J Carinus

Cllr. C.F Wilskut (Term ended - 08/11/2021; Appointed - 26/11/2021)

Cllr. M.N Bushwana (Term ended - 08/11/2021; Appointed - 26/11/2021)

Cllr. R.S Nalumango (Term ended - 08/11/2021; Appointed - 26/11/2021)

Cllr. W.M Blom (Term ended - 08/11/2021; Appointed - 26/11/2021)

Cllr. K Adams (Appointed - 26/11/2021; Resigned - 09/06/2022)

Cllr. D Swart (Deputy Mayor: Term ended - 08/11/2021; Appointed - 26/11/2021)

Cllr. P Daniëls (Term ended - 08/11/2021; Appointed - 29/06/2022)

Ald. M Sampson (Appointed - 26/11/2021; Appointed Deputy Mayor - 02/12/2021)

Cllr. A.J du Plessis (Appointed - 26/11/2021)

Cllr. A.J Pedro (Appointed - 09/11/2021)

Cllr. A.M Richards (Appointed - 26/11/2021)

Cllr. C Manuel (Appointed - 26/11/2021)

Cllr. C.O Klaaste (Appointed - 26/11/2021)

Cllr. D.B Janse (Appointed - 26/11/2021)

Cllr. D.W Nel (Appointed - 09/11/2021)

Cllr. E Groenewald (Appointed - 26/11/2021)

Cllr. E.G Arendse (Appointed - 26/11/2021)

Cllr. F Jacobs (Appointed - 26/11/2021)

Cllr. G.J Fredericks (Appointed - 09/11/2021)

Cllr. J Maliti (Appointed - 09/11/2021)

Cllr. J Smith (Appointed - 26/11/2021)

Cape Winelands District Municipality

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| 40. Related parties (continued) | | |
| Cllr. J.H.P Steyn | (Appointed - 09/11/2021) | |
| Cllr. J.S Januarie | (Appointed - 26/11/2021) | |
| Cllr. L Ngwane | (Appointed - 09/11/2021) | |
| Cllr. M Liebenberg | (Appointed - 09/11/2021) | |
| Cllr. M Smit | (Appointed - 09/11/2021) | |
| Cllr. M van Staden | (Appointed - 26/11/2021) | |
| Cllr. M.H Yabo | (Appointed - 09/11/2021) | |
| Cllr. M.N Kriel | (Appointed - 09/11/2021) | |
| Cllr. N Phatsoane | (Appointed - 26/11/2021) | |
| Cllr. N.D Sauerma | (Appointed - 26/11/2021) | |
| Cllr. R Farao | (Appointed - 26/11/2021) | |
| Cllr. R Smuts | (Appointed - 26/11/2021) | |
| Cllr. S Goedeman | (Appointed - 09/11/2021) | |
| Cllr. T.R Mpulanyana | (Appointed - 09/11/2021) | |
| Cllr. V Hani | (Appointed - 09/11/2021) | |
| Cllr. W.C Petersen | (Appointed - 26/11/2021) | |
| Cllr. X.L Mdemka | (Appointed - 26/11/2021) | |
| Cllr. A Florence | (Term ended - 08/11/2021) | |
| Ald. J.W Schuurman | (Term ended - 08/11/2021) | |
| Cllr. A Crombie | (Term ended - 08/11/2021) | |
| Cllr. A.J Shibili | (Term ended - 08/11/2021) | |
| Cllr. B.B Ntshingila | (Term ended - 08/11/2021) | |
| Cllr. C Damens | (Term ended - 08/11/2021) | |
| Cllr. C Steyn | (Term ended - 08/11/2021) | |
| Cllr. D.R.A Snyders | (Term ended - 08/11/2021) | |
| Cllr. E Qhankqiso | (Term ended - 08/11/2021) | |
| Cllr. J Smit | (Term ended - 08/11/2021) | |
| Cllr. J.J van Rooyen | (Term ended - 08/11/2021) | |
| Cllr. J.S Mouton | (Term ended - 08/11/2021) | |
| Cllr. L.N Qoba | (Term ended - 08/11/2021) | |

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40. Related parties (continued)

| | |
|----------------------|---------------------------|
| Cllr. L.S Sambokwe | (Term ended - 08/11/2021) |
| Cllr. M.T Klaas | (Term ended - 08/11/2021) |
| Cllr. N Tetana | (Term ended - 08/11/2021) |
| Cllr. R Du Toit | (Term ended - 08/11/2021) |
| Cllr. S.C Rens | (Term ended - 08/11/2021) |
| Cllr. S.S Magqazana | (Term ended - 08/11/2021) |
| Cllr. T.M Wehr | (Term ended - 08/11/2021) |
| Cllr. W Vrolick | (Term ended - 08/11/2021) |
| Cllr. X Kalipa | (Term ended - 08/11/2021) |
| Cllr. Z.L Masoka | (Term ended - 08/11/2021) |
| Cllr. J.D.F van Zyl | (Term ended - 08/11/2021) |
| Cllr. J.J Du Plessis | (Term ended - 08/11/2021) |
| Cllr. L Landu | (Term ended - 08/11/2021) |
| Cllr. L.W Niehaus | (Term ended - 08/11/2021) |
| Cllr. P.C Ramokhabi | (Term ended - 08/11/2021) |

The salaries and remuneration of key management and councillors are disclosed in notes 23 & 24 of the Annual Financial Statements.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

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Figures in Rand 2022 2021

41. Change in estimate

Property, plant and equipment

41.1 Redundant store assets

The prior year accounting estimates relating to the estimated useful lives and residual values of Furniture and fittings, Office equipment, Plant and equipment, Motor vehicles, Emergency equipment and Trailers were evaluated during the 2021/2022 financial year and the change in the estimates were implemented on 01 July 2021. This led to a change in depreciation for the 2021/2022 from the 2020/2021 financial year. The amount of the depreciation, had the change in accounting estimate not been effected, the effect of the change in accounting estimate of depreciation for 2021/2022 financial year as well as the amended depreciation are as follows:

| Asset Type Description | Total of depreciation on assets for 2021/22 had no change been effected: | Total new depreciation for 2021/22 after the change was affected: | 2021/2022: Difference: Increase in depreciation | Total of depreciation on assets for future years had no change been effected: | Total new depreciation for future years after the change was affected: | Future years: Difference: Decrease in depreciation |
|---------------------------|---|--|--|---|---|---|
| Furniture and fittings | 3,297 | 21,906 | 18,609 | 18,609 | - | (18,609) |
| Office Equipment | 21,559 | 153,243 | 131,684 | 131,684 | - | (131,684) |
| Plant and equipment | 11,044 | 72,776 | 61,731 | 61,731 | - | (61,731) |
| Motor vehicles | 61,439 | 651,774 | 590,335 | 590,335 | - | (590,335) |
| Emergency equipment | 2,431 | 16,920 | 14,488 | 14,488 | - | (14,488) |
| | 99,770 | 916,619 | 816,847 | 816,847 | - | (816,847) |

The effect of the change in estimate led to an decrease in depreciation of Furniture and fittings of R18 609, decrease in depreciation of Office equipment of R131 684, decrease in depreciation of Plant and equipment of R61 731, decrease in depreciation of Motor Vehicles of R590 335 and a decrease in depreciation of Emergency equipment of R14 488 for the future years.

41.2 Review of RUL of Property, Plant and Equipment

| Asset Type Description | Total of depreciation on assets for 2021/22 had no change been effected: | Total new depreciation for 2021/22 after the change was affected: | 2021/2022: Difference: Increase in depreciation | Total of depreciation on assets for future years had no change been effected: | Total new depreciation for future years after the change was affected: | Future years: Difference: Decrease in depreciation |
|---------------------------|---|--|--|---|---|---|
| Trailers | 31,320 | 10,075 | (21,246) | - | 21,246 | 21,246 |

The effect of the change in estimate led to an increase in depreciation of R21 246 for the future years.

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42. B-BBEE Performance

2021/2022

Information on compliance with the B-BBEE Act is included in the annual report under the section B-BBEE Compliance Performance Information.

The Municipality included the relevant disclosure on B-BBEE performance in a note to the 2020/2021 financial statements. However, the Municipality omitted to report its compliance results with B-BBEE in the 2020/2021 Annual Report. The Municipality is a Level Seven Contributor.

2020/2021

Information on compliance with the B-BBEE Act is included in the annual report under the section B-BBEE Compliance Performance Information.

43. Events after the reporting date

The additional amount included in note 15 to provisions relating to the adjusting event amounted to R43 267.

44. Reconciliation between budget and annual financial statements

44.1 Statement of Financial Performance

| | | |
|--|----------------|----------|
| Service charges (Actual amount as per Statement of Comparison) | - | - |
| Service charges | 182,762 | - |
| Actual amount as per Statement of Financial Performance | 182,762 | - |

Service charges was remapped from Other revenue to adhere to the requirements of GRAP.

| | | |
|--|--------------------|----------|
| Agency Services (Actual amount as per Statement of Comparison) | 106,979,783 | - |
| Roads Capital | 54,315 | - |
| Management Fees | 9,321,397 | - |
| Management Fees | (10,719,606) | - |
| Actual amount as per Statement of Financial Performance | 105,635,889 | - |

The capital financing for Roads services was remapped from Transfers and subsidies to Roads services. Management fees was remapped to Roads services to adhere to the requirements of GRAP.

To align to the accounting treatment for the funding received from Department of Transport and Public Works with regards to the roads maintenance, the prior year naming convention for this funding source was changed from agency services to roads services. Both the prior year and current year naming convention is therefore consistent. This allows the users of the financial statements to have a clear understanding of the substance to this funding source.

| | | |
|---|-----------|----------|
| Licences and permits (Actual amount as per Statement of Comparison) | 739,566 | - |
| Licences and permits | (739,566) | - |
| Actual amount as per Statement of Financial Performance | - | - |

Licences and permits were remapped to Other income to adhere to the requirements of GRAP.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

Figures in Rand 2022 2021

44. Reconciliation between budget and annual financial statements (continued)

| | | |
|--|--------------------|----------|
| Transfers and subsidies (Actual amount as per Statement of Comparison) | 253,668,692 | - |
| Public Sector SETA | (384,462) | - |
| Roads Capital | (9,587) | - |
| Actual amount as per Statement of Financial Performance | 253,274,643 | - |

LG SETA refunds and Public contributions and donations were remapped from Transfers and subsidies to Other income to adhere to the requirements of GRAP.

| | | |
|---|----------------|----------|
| Public contributions and donations (Actual amount as per Statement of Comparison) | - | - |
| Public contributions and donations | 938,667 | - |
| Actual amount as per Statement of Financial Performance | 938,667 | - |

Public contributions and donations was remapped from Transfers and subsidies to adhere to the requirements of GRAP.

| | | |
|--|------------------|----------|
| Other revenue (Actual amount as per Statement of Comparison) | 9,691,258 | - |
| Management fees | (9,321,397) | - |
| Service charges | (182,762) | - |
| Public Sector SETA | 384,462 | - |
| Licenses and permits | 739,566 | - |
| Actual amount as per Statement of Financial Performance | 1,311,127 | - |

Other revenue was remapped to adhere to the requirements of GRAP.

| | | |
|---|--------------------|----------|
| Employee related costs (Actual amount as per Statement of Comparison) | 218,978,840 | - |
| Workmen's compensation fund | 1,069,362 | - |
| Interest cost | (13,896,000) | - |
| Actual amount as per Statement of Financial Performance | 206,152,202 | - |

Workmen's compensation fund was remapped from Other expenditure to Employee related cost to adhere to requirements of GRAP. Interest cost on post-retirement benefits and long service awards were remapped to Finance costs to adhere to the requirements of GRAP.

| | | |
|--|-------------------|----------|
| Finance cost (Actual amount as per Statement of Comparison) | - | - |
| Interest cost | 13,896,000 | - |
| Actual amount as per Statement of Financial Performance | 13,896,000 | - |

Interest cost on post-retirement benefits and long service awards were remapped from Employee related costs to Finance costs to adhere to the requirements of GRAP.

| | | |
|---|----------------|----------|
| Lease rentals on operating lease (Actual amount as per Statement of Comparison) | - | - |
| Lease rentals on operating lease | 298,157 | - |
| | 298,157 | - |

Lease rentals on operating lease was remapped from Other expenditure to adhere to the requirements of GRAP.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

Figures in Rand 2022 2021

44. Reconciliation between budget and annual financial statements (continued)

| | | |
|---|--------------|----------|
| Inventory consumed (Actual amount as per Statement of Comparison) | 21,452,352 | - |
| General expenses | (21,452,352) | - |
| Actual amount as per Statement of Financial Performance | - | - |

Inventory consumed were remapped to General expenses to adhere to the requirements of GRAP.

| | | |
|--|-------------------|----------|
| Other expenditure (Actual amount as per Statement of Comparison) | 63,534,832 | - |
| Workmen's compensation fund | (1,069,362) | - |
| Lease rental on operating leases | (298,157) | - |
| Inventory consumed | 21,452,352 | - |
| Inventory losses | (49,320) | - |
| Management fees | (10,719,607) | - |
| Actual amount as per Statement of Financial Performance | 72,850,738 | - |

Workmen's compensation fund was remapped from Other expenditure to Employee related cost to adhere to the requirements of GRAP. Lease rentals on operating lease was remapped from other expenditure to adhere to the requirements of GRAP. Inventory consumed was remapped to General expenditure to adhere to the requirements of GRAP. Management fees was remapped from other expenditure to Roads services.

| | | |
|---|---------------|----------|
| Inventories losses (Actual amount as per Statement of Comparison) | - | - |
| Inventories losses | 49,320 | - |
| Actual amount as per Statement of Financial Performance | 49,320 | - |

Inventories losses was remapped from other expenditure to adhere to the requirements of GRAP.

| | | |
|---|----------|----------|
| Transfer and subsidies: Capital monetary (Actual amount as per Statement of Comparison) | 54,315 | - |
| Roads Capital | (54,315) | - |
| Actual amount as per Statement of Financial Performance | - | - |

The capital financing for Roads was remapped from Transfers and subsidies to Roads services.

| | | |
|--|-----------|----------|
| Transfer and subsidies: Capital in-kind (Actual amount as per Statement of Comparison) | 929,080 | - |
| Public contributions and donations | (929,080) | - |
| Actual amount as per Statement of Financial Performance | - | - |

Capital donations received were remapped from Transfers and subsidies to Public contributions and donations.

44.2 Statement of financial position

| | | |
|--|--------------------|----------|
| Cash and cash equivalents (Actual amount as per Statement of Comparison) | - | - |
| Cash on hand | 6,828,779 | - |
| Call investment deposits | 783,500,000 | - |
| Actual amount as per Statement of Financial Position | 790,328,779 | - |

Cash on hand and Call Investment deposits were remapped to adhere to the requirements of GRAP.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

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| 44. Reconciliation between budget and annual financial statements (continued) | | |
| Consumer debtors (Actual amount as per Statement of Comparison) | 26,918,529 | - |
| Service charges | (44,573) | - |
| Prepayments and advances | 2,278,610 | - |
| Insurance claims | 40,070 | - |
| Unauthorised, Irregular, Fruitless and Wasteful Expenditure | 69,750 | - |
| Output VAT: Provision for Doubtful Debt Impairment | (649) | - |
| Deposits | 4,740 | - |
| Accrued interest | 17,321,583 | - |
| Third Party Refund | 225,995 | - |
| Actual amount as per Statement of Financial Position | 46,814,055 | - |
| Consumer debtors were remapped to adhere to the requirements of GRAP. | | |
| VAT receivable (Actual amount as per Statement of Comparison) | - | - |
| VAT receivable | 2,455,080 | - |
| Actual amount as per Statement of Financial Position | 2,455,080 | - |
| VAT receivable were remapped from Other debtors and Trade and other payables to adhere to the requirements of GRAP. | | |
| Receivables from non-exchange transactions (Actual amount as per Statement of Comparison) | - | - |
| Accrued income | 122,441 | - |
| Actual amount as per Statement of Financial Position | 122,441 | - |
| Accrued income was remapped from Other debtors to adhere to the requirements of GRAP. | | |
| Consumer deposits (Actual amount as per Statement of Comparison) | 20,000 | - |
| Consumer deposits | (20,000) | - |
| Actual amount as per Statement of Financial Position | - | - |
| Consumer deposits was remapped to Payables from exchange transactions to adhere to the requirements of GRAP. | | |
| Trade and other payables (Actual amount as per Statement of Comparison) | 13,133,060 | - |
| Unspent conditional grants | (5,776,226) | - |
| Output VAT | 112,889 | - |
| Employee benefits | (2,576,835) | - |
| Consumer deposits | 20,000 | - |
| Actual amount as per Statement of Financial Position | 4,912,888 | - |
| Trade and other payables were remapped to adhere to the requirements of GRAP. | | |
| Employee benefit obligation (Actual amount as per Statement of Comparison) | - | - |
| Employee benefits | 37,067,065 | - |
| Actual amount as per Statement of Financial Position | 37,067,065 | - |
| Employee benefits were remapped from Provisions and Trade and other payables to adhere to the requirements of GRAP. | | |
| Provisions (Actual amount as per Statement of Comparison) | 34,533,508 | - |
| Employee benefits | (34,490,231) | - |
| Actual amount as per Statement of Financial Position | 43,277 | - |
| Provisions were remapped to Employee benefit obligation to adhere to the requirements of GRAP. | | |

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| 44. Reconciliation between budget and annual financial statements (continued) | | |
| Accumulated surplus (Actual amount as per Statement of Comparison) | 721,502,060 | - |
| Reserves | 79,307,027 | - |
| Amount as per Statement of Financial Position | 800,809,087 | - |
| Reserves were remapped to Accumulated surplus to adhere to the requirements of GRAP. | | |
| 44.3 Cashflow statement | | |
| Employee cost (Actual amount as per Statement of Comparison) | - | - |
| Employee cost | 196,972,541 | - |
| Amount as per Cash flow statement | 196,972,541 | - |
| Employee cost was remapped from Suppliers and employees to adhere to the requirements of GRAP. | | |
| Remuneration to councillors (Actual amount as per Statement of Comparison) | - | - |
| Remuneration to councillors | 12,744,505 | - |
| Amount as per Cash flow statement | 12,744,505 | - |
| Remuneration of councillors was remapped from Suppliers and employees to adhere to the requirements of GRAP. | | |
| Transfers and grants (Actual amount as per Statement of Comparison) | (16,988,386) | - |
| Transfers and grants | 16,988,386 | - |
| Amount as per Cash flow statement | - | - |
| Transfers and grants was remapped to Suppliers to adhere to the requirements of GRAP. | | |
| Finance costs (Actual amount as per Statement of Comparison) | - | - |
| Finance cost | 13,896,000 | - |
| Amount as per final approved budget | 13,896,000 | - |
| Finance costs were remapped from Suppliers and employees to adhere to the requirements of GRAP. | | |

45. Actual operating expenditure versus budgeted operating expenditure

According to the Accounting Policy, explanations should be provided in cases where the difference between the Adjustments Budget and the Actual Expenditure exceeds 10%.

45.1 Statement of Financial Position

Current Assets

Cash

There is only a one percent variance if taking into account the Call investments deposits.

Consumer debtors

Not all claims submitted to The Western Cape Provincial Government via its Department of Transport and Public Works were paid in full; hence the increase in the Roads services debtor. Furthermore, the delay in submission of the June claim to allow for accruals and payables also increased the debtor.

Cape Winelands District Municipality

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45. Actual operating expenditure versus budgeted operating expenditure (continued)

Other debtors

Variance as a result of higher interest rates than anticipated during the budget process.

Inventory

Variance is less than 10%, no reason required.

Current portion of long- term receivable

The calculation that is made for the Future Medical Aid Liability, Ex Gratia Pension and Long Service Bonus is calculated by actuaries and the budget estimation is brought in line therewith. However, the revised estimation is only done at year end.

Non-Current Assets

Property, plant and equipment

Variance is less than 10%, no reason required.

Intangible assets

The acquisition of a performance management (PMS) system was added during the Adjustments Budget as a result of the promulgation of new Staff Regulations in November 2021. However, due to the invalidity of the PPPFA regulations and concomitant uncertainty thereof, the acquisition of the PMS System was deferred to the next financial year.

Other non- current assets

The calculation that is made for the Future Medical Aid Liability, Ex Gratia Pension and Long Service Bonus is calculated by actuaries and the budget estimation is brought in line therewith. However, the revised estimation is only done at year end.

Liabilities

Current Liabilities

Consumer Deposits

The consumer deposits were only repaid during the month of August 2022 and not during June 2022 as anticipated during the budget process.

Trade and other payables

The outcome of the roll-over request for grant funding only materialised in the latter part of the financial year and therefore it was impossible to complete all the work by 30 June 2022. The awarding of tenders were delayed as a result of The Supreme Court of Appeal declaring the entire Preferential Procurement Regulations invalid on the basis that the content of the Regulations exceeded the Minister's power on what could permissibly be regulated on in terms of section 5 of the Procurement Act and section 217 of the Constitution.

Provisions

The calculation that is made for the Future Medical Aid Liability, Ex Gratia Pension and Long Service Bonus is calculated by actuaries and the budget estimation is brought in line therewith. However, the revised estimation is only done at year end.

Non-Current Liabilities

Provisions

The calculation that is made for the Future Medical Aid Liability, Ex Gratia Pension and Long Service Bonus is calculated by actuaries and the budget estimation is brought in line therewith. However, the revised estimation is only done at year end.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

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45. Actual operating expenditure versus budgeted operating expenditure (continued)

Net Assets

Reserves

The transfer to the capital replacement reserves is only done at year end and therefore cannot accurately budget for this.

45.2 Statement of Financial Performance

Rental of facilities and equipment

Variance is less than 10%, no reason required.

Agency Services

Variance is less than 10%, no reason required.

Licences and permits

The issuing of export certificates increased as a result of the relaxation of certain lock down regulations.

Other Revenue

Other revenue consist of different income sources which is variable for change due to external factors.

Interest received - investment

Variance is less than 10%, no reason required.

Transfer and subsidies

Variance is less than 10%, no reason required.

Expenditure

Employee related costs

Variance is less than 10%, no reason required.

Remuneration of councillors

Variance is less than 10%, no reason required.

Depreciation and amortisation

Variance is less than 10%, no reason required.

Debt impairment

Variance is less than 10%, no reason required.

Contracted services

The awarding of tenders was kept in abeyance and budget appropriations were deferred to the next financial year due to the invalidity of the PPPFA regulations and concomitant uncertainty thereof.

Transfers and subsidies

Variance is less than 10%, no reason required.

Cape Winelands District Municipality

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45. Actual operating expenditure versus budgeted operating expenditure (continued)

Other expenditure

Variance does not exceed 10%, no reason required.

Losses

Variance is less than 10%, no reason required.

Transfers and subsidies - capital

A large portion of the unspent amount relates to a roll over grant that was only approved in the latter part of the year. The grant is committed to partially fund a fire fighting vehicle. The awarding of the tender was delayed as a result of The Supreme Court of Appeal declaring the entire Preferential Procurement Regulations invalid on the basis that the content of the Regulations exceeded the Minister's power on what could permissibly be regulated on in terms of section 5 of the Procurement Act and section 217 of the Constitution.

Transfer and Subsidies - capital (in-kind)

The municipality received donated assets during the financial year.

45.3 Cash Flow Statement

Other Revenue

Refer to reason provided above for the Statement of financial performance.

Government - operating

Variance is less than 10%, no reason required.

Government - capital

The acquisition of the guard hut for the Roads services was deferred to the next financial year.

Interest

The accrued interest was incorrectly mapped as a cash flow item during the budget preparation process.

Suppliers and employees

Refer to reason provided above for the Statement of financial performance.

Transfer and grants

During the budget process the allocation-in-kind transfers were incorrectly mapped as a non-cash item.

Proceeds on disposal of PPE

Variance is less than 10%, no reason required.

Capital assets

The awarding of tenders was kept in abeyance and budget appropriations were deferred to the next financial year due to the invalidity of the PPPFA regulations and concomitant uncertainty thereof.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

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| Figures in Rand | 2022 | 2021 |
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| 45. Actual operating expenditure versus budgeted operating expenditure (continued) | | |
| Consumer deposits | | |
| The consumer deposits were only repaid during the month of August 2022 and not during June 2022 as anticipated during the budget process. | | |
| 46. Additional disclosure in terms of Municipal Finance Management Act | | |
| Contributions to organised local government | | |
| Current year subscription / fee | 2,321,684 | 2,265,329 |
| Amount paid - current year | (2,205,600) | (2,152,063) |
| Amount paid - previous years | (116,084) | (113,266) |
| | - | - |
| Audit fees | | |
| Current year subscription / fee | 2,573,272 | 2,308,865 |
| Amount paid - current year | 102,576 | 84,891 |
| Amount paid - previous years | (2,670,178) | (2,404,120) |
| | 5,670 | (10,364) |
| PAYE, UIF and SDL | | |
| Current year subscription / fee | (39,178,059) | (38,229,918) |
| Amount paid - current year | 39,178,059 | 38,229,918 |
| | - | - |
| Pension and Medical Aid Deductions | | |
| Current year subscription / fee | (67,631,029) | (66,077,451) |
| Amount paid - current year | 67,631,029 | 66,077,451 |
| | - | - |
| VAT | | |
| VAT receivable | 2,743,707 | 1,999,082 |
| VAT payable | (288,627) | (283,759) |
| | 2,455,080 | 1,715,323 |

All VAT returns have been submitted by the due date throughout the year.

Councillors' arrear accounts

During the financial year under review no Councillor was in arrears with the settlement of rates or services.

However, Councillor arrear accounts are in respect of Cllr Gwada, Ross, Nyamana and Heradien for the overpayment of remuneration due to the upward change in the grading of Witzenberg, Drakenstein and Langeberg Municipality; and the termination/resignation of councillors Mcako and Louw of Stellenbosch Municipality.

The arrear accounts of Cllr Magqazana and Qoba relates to overpayments due to calculation errors with the final payments at the termination/resignation of their positions held as councillors of the CWDM.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

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| Figures in Rand | 2022 | 2021 | |
|---|--|--|---------------|
| 46. Additional disclosure in terms of Municipal Finance Management Act (continued) | | | |
| 30 June 2022 | | | |
| | Outstanding less than 90 days | Outstanding more than 90 days | |
| | | Total | |
| Cllr. Z.L. Gwada | - | 2,463 | 2,463 |
| Cllr. S. Ross | - | 4,387 | 4,387 |
| Cllr. S.W. Nyamana | - | 769 | 769 |
| Cllr. P. Heradien (resigned 10/12/2014) | - | 10,315 | 10,315 |
| Cllr. C. Mcako (resigned 29/06/2016) | - | 1,138 | 1,138 |
| Cllr. N.S. Louw (resigned 25/07/2018) | - | 689 | 689 |
| Cllr. S.S. Magqazana | - | 1,868 | 1,868 |
| Cllr. L.N. Qoba | - | 856 | 856 |
| | <u>-</u> | <u>22,485</u> | <u>22,485</u> |

The Municipality in terms of Section 167(2) of the MFMA, must and has the right to, recover remuneration paid otherwise than in accordance with the framework of the Public Office-Bearers Act, 1998 from political office-bearers and may not write off any expenditure incurred by the municipality in paying or giving such remuneration.

(i) In respect of upward grading of the local municipalities within the district:

In view of the above-mentioned determination, the Municipality recovered all overpayments as a result of the upward grading or changes in positions held on council committees of its local municipalities, except for the above mentioned councillors, where payment arrangements have been made or legal action instituted.

Legal action against Cllrs Heradien, Ross, Gwada (deceased) and Nyamana is currently in progress. Attempts by the Municipality's debt collectors to institute a claim against the deceased estate of Cllr Gwada is ongoing, though to date this has been unsuccessful.

(ii) In respect of resignations / terminations:

Cllr Louw has adhered to the payment arrangements made and the relevant arrears was fully recovered after 30 June 2022. Attempts by the Municipality's debt collectors to institute a claim against the deceased estate of Cllr Mcako is still ongoing, though to date this has been unsuccessful. Cllrs Magqazana and Qoba will be handed over for legal action to be instituted pending the appointment of a new debt collector.

| | | | |
|---|--|--|---------------|
| 30 June 2021 | Outstanding less than 90 days | Outstanding more than 90 days | Total |
| Cllr. Z.L. Gwada | - | 2,463 | 2,463 |
| Cllr. S. Ross | - | 4,387 | 4,387 |
| Cllr. S.W. Nyamana | - | 769 | 769 |
| Cllr. P. Heradien (resigned 10/12/2014) | - | 10,315 | 10,315 |
| Cllr. C. Mcako (resigned 29/06/2016) | - | 1,138 | 1,138 |
| Cllr. N.S. Louw (resigned 25/07/2018) | - | 3,306 | 3,306 |
| | <u>-</u> | <u>22,378</u> | <u>22,378</u> |

The municipality in terms of Section 167(2) of the MFMA, must and has the right to, recover remuneration paid otherwise than in accordance with the framework of the Public Office-Bearers Act, 1998 from political office-bearers and may not write off any expenditure incurred by the municipality in paying or giving such remuneration.

Cape Winelands District Municipality

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46. Additional disclosure in terms of Municipal Finance Management Act (continued)

(i) In respect of upward grading or changes in positions held on council committees (section 79 committees) of the local municipalities within the district:

In view of the said determination, the municipality recovered all overpayments as a result of the upward grading or changes in positions held on council committees of its local municipalities, except for the above mentioned councillors, where payment arrangements have been made or legal action instituted. The balance outstanding owed by Cllr Hess as at 30 June 2020 was recovered during the 2020/2021 financial year.

Cllrs Heradien, Ross, Gwada (deceased) and Nyamana have been handed over for legal action to be instituted and this is currently in process. The Municipality's debt collector intends to institute a claim against the estate of the late Cllr Gwada.

(ii) In respect of resignations / terminations:

The Municipality's debt collector intends to institute a claim against the estate of the late Cllr Mcako. Cllr Louw has been handed over for legal action and a payment arrangement was concluded.

Particulars of non-compliance

No incidences of non-compliance occurred during the current and prior financial year.

Disclosures by municipality on intergovernmental and other allocations

Allocations made to municipalities

Section 123 of the MFMA determines that the municipality must disclose information on any allocations made by the municipality to another municipality. The following allocations were made to local municipalities within CWDM for projects as identified by the respective local municipality in terms of service level agreements:

| | | |
|----------------------------|------------------|------------------|
| Breede Valley Municipality | 962,000 | 1,020,000 |
| Drakenstein Municipality | 6,226,000 | 660,000 |
| Langeberg Municipality | 864,000 | 740,000 |
| Stellenbosch Municipality | 984,000 | 540,000 |
| Witzenberg Municipality | 764,000 | 740,000 |
| | 9,800,000 | 3,700,000 |

47. Segment information

General information

Identification of segments

The municipality is organised and reports to management on the basis of ten major functional areas. These segments makes up two of the three strategic objectives of the municipality.

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.

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

Community development and planning services

Goods and/or services

Creating an environment and forging partnerships that ensure social and economic development of all communities, including the empowerment of the poor in the Cape Winelands District

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

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| Figures in Rand | 2022 | 2021 | | |
|--|--|---------------------------|---|--------------------|
| 47. Segment information (continued) | | | | |
| Technical services | | | Promoting sustainable infrastructure services and a transport system that fosters social and economic opportunities | |
| Segment surplus or deficit | | | | |
| 2022 | | | | |
| | Community development and planning services | Technical services | Non-reportable | Total |
| Revenue | | | | |
| Revenue from exchange transactions | | | | |
| Service Charges | 182,762 | - | - | 182,762 |
| Rental of facilities and equipment | - | - | 229,049 | 229,049 |
| Roads services | - | 96,314,491 | 9,321,397 | 105,635,888 |
| Other income | 739,566 | 46,707 | 524,854 | 1,311,127 |
| Interest revenue- Investment | - | - | 40,295,365 | 40,295,365 |
| Revenue from non- exchange transactions | | | | |
| Transfer revenue | | | | |
| Government grant & subsidies | 2,304,762 | 2,861,268 | 248,108,613 | 253,274,643 |
| Public contributions and donations | 89,080 | 9,587 | 840,000 | 938,667 |
| Total segment revenue | 3,316,170 | 99,232,053 | 299,319,278 | 401,867,501 |
| Total revenue | | | | 401,867,501 |
| Expenditure | | | | |
| Employee related costs | 91,325,121 | 64,088,393 | 50,738,688 | 206,152,202 |
| Remuneration to councillors | - | - | 12,744,505 | 12,744,505 |
| Depreciation and amortisation | 4,650,557 | 2,117,362 | 3,033,136 | 9,801,055 |
| Lease rentals on operating lease | - | - | 298,157 | 298,157 |
| Debt impairment | - | - | 113,215 | 113,215 |
| Finance cost | - | - | 13,896,000 | 13,896,000 |
| Contracted services | 20,132,438 | 5,108,724 | 7,983,934 | 33,225,096 |
| Transfers and Subsidies | 8,199,521 | 1,288,865 | 7,500,000 | 16,988,386 |
| Loss on disposal of assets | 52,068 | 59,114 | 21,286 | 132,468 |
| Inventories losses/ write- downs | - | - | 49,320 | 49,320 |
| General Expenses | 9,891,441 | 37,882,592 | 25,076,707 | 72,850,740 |
| Total segment expenditure | 134,251,146 | 110,545,050 | 121,454,948 | 366,251,144 |
| Surplus/(deficit) | | | | 35,616,357 |

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

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47. Segment information (continued)

2021

| | Community development and planning services | Technical services | Non-reportable | Total |
|--|---|--------------------|--------------------|--------------------|
| Revenue | | | | |
| Revenue from exchange transactions | | | | |
| Service charges | 194,644 | - | - | 194,644 |
| Rental of facilities and equipment | - | - | 238,615 | 238,615 |
| Roads services | - | 95,516,597 | 9,516,336 | 105,032,933 |
| Other income | 669,682 | 10,985 | 535,451 | 1,216,118 |
| Interest received- investment | - | - | 38,231,810 | 38,231,810 |
| Revenue from non- exchange transactions | | | | |
| Transfer revenue | | | | |
| Government grants & subsidies | 2,143,310 | 3,440,279 | 240,013,455 | 245,597,044 |
| Public contribution and donations | - | 17,240 | - | 17,240 |
| Total segment revenue | 3,007,636 | 98,985,101 | 288,535,667 | 390,528,404 |
| Total revenue | | | | 390,528,404 |
| Expenditure | | | | |
| Employee related cost | 88,819,292 | 57,082,689 | 51,169,169 | 197,071,150 |
| Remuneration of councillors | - | - | 12,657,183 | 12,657,183 |
| Depreciation and amortisation | 4,225,256 | 519,055 | 4,494,007 | 9,238,318 |
| Lease rentals on operating lease | - | - | 338,536 | 338,536 |
| Debt impairment | - | - | 32,597 | 32,597 |
| Finance cost | - | - | 16,985,000 | 16,985,000 |
| Contracted services | 15,872,562 | 7,303,193 | 8,531,722 | 31,707,477 |
| Transfers and subsidies | 9,430,774 | 1,242,646 | 1,500,000 | 12,173,420 |
| Loss on disposal of assets | 16,202 | 16,069 | 134,781 | 167,052 |
| Inventories losses/ write downs | - | - | 91,017 | 91,017 |
| General expenses | 7,100,773 | 37,285,835 | 29,248,082 | 73,634,690 |
| Total segment expenditure | 125,464,859 | 103,449,487 | 125,182,094 | 354,096,440 |
| Surplus | | | | 36,431,964 |

Measurement of segment surplus or deficit

Basis of accounting for transactions between reportable segments

The accounting policies of the segments are the same as those described in the summary of significant accounting policies.

Information about geographical areas

Although the municipality operates in a number of geographical areas, 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.

48. Capital commitments

| | | | | |
|-------------------|--|--|---|--------|
| Intangible assets | | | - | 38,157 |
|-------------------|--|--|---|--------|

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

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49. Disclosures in terms of the Municipal Supply Chain Management Regulations, 2005

49.1 Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36(1)(a) and (b).

| | Total Value (incl. VAT) | Emergency | Sole Supplier/ Agent | Impractical |
|-------------|----------------------------|-----------|-------------------------|-------------|
| 2022 | | | | |
| July | 454,485 | - | - | 5 |
| August | 2,324,853 | - | 2 | 19 |
| September | 270,577 | 1 | 1 | 3 |
| October | 260,232 | 1 | 3 | 4 |
| November | 431,266 | - | 1 | 10 |
| December | 365,119 | - | - | 11 |
| January | 301,744 | - | - | 6 |
| February | 2,227,940 | - | 4 | 11 |
| March | 136,317 | - | 1 | 5 |
| April | 60,227 | - | - | 6 |
| May | 112,908 | - | - | 8 |
| June | 316,427 | - | - | 12 |
| | 7,262,095 | 2 | 12 | 100 |
| 2021 | | | | |
| July | 2,614,423 | - | - | 16 |
| August | 335,533 | - | - | 3 |
| September | 327,936 | - | - | 2 |
| October | 250,207 | - | 1 | 5 |
| November | 91,054 | - | 1 | 1 |
| December | 53,249 | - | - | 3 |
| January | 162,047 | - | - | 7 |
| February | 27,036 | - | 2 | 6 |
| March | 52,575 | - | - | 4 |
| April | 2,348 | - | 1 | - |
| May | 1,835,793 | - | - | 12 |
| June | 4,318,499 | - | - | 5 |
| | 10,070,700 | - | 5 | 64 |



Cape Winelands District Municipality

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Notes to the Financial Statements

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49.2 Regulation 45 - Particulars of awards of more than R2 000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months. (Amounts disclosed include VAT)

| Supplier | Relationshi | Name of Family | Name of Institution | Capacity | 2022 | 2021 |
|--|----------------|----------------|--------------------------------------|--|-----------|---------|
| M & N Bakwerkwe Close Corporation | Brother/Sister | E Niemand | Cape Winelands District Municipality | Senior Administrator: Quotations & Tenders | 12 846 | 50 337 |
| Bergstan South Africa | Spouse | J Beukes | Social Development | Social Worker | - | 33 250 |
| JPCE (Pty) Ltd | Spouse | JA Minnie | City of Cape Town | Manager: Disaster Management Centre: Safety and Security Directorate | - | 623 944 |
| NCC Environmental Services Proprietary Limited | Spouse | C Rhoda | City of Cape Town | Manager | 6 965 841 | 598 917 |
| Masiqhame Trading 77 Close Corporation | Child | B Qxilishe | Department of Agriculture | Snr Admin officer: Dept of Agriculture, Forestry & Fisheries | 32 918 | 62 402 |
| | Child | S Qxilishe | Western Cape Education Department | | | |
| TSCH International Holdings (Pty) Ltd | Spouse | RE Hlongwane | City of Cape Town | Manager | - | 33 300 |
| LJ Projects and Events | Spouse | L Jafta | Department of Water and Sanitation | IT Clerk | - | 200 000 |
| Piston Power Chemicals Close Corporation | Spouse | N Andhee | Department of Education | Teacher | 111 332 | 26 520 |



Cape Winelands District Municipality Financial Statements for the year ended 30 June 2022

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| Figures in Rand | | | | | 2022 | 2021 |
|---|--------|-----------------|--------------------------------------|-----------------------------------|------------------|------------------|
| Temmo's Shade Ports and Cleaning Services | Sister | T Lebesana | Transnet Port Terminals | Security | - | 17 600 |
| Jah Guide Agriculture Proprietary Limited | Spouse | G Davids | SAPS | Police Official | 801 635 | 1 214 898 |
| CC Davids T/A Mc Sound and Lightning | Spouse | M Davids | Witzenburg Municipality | Official | 19 900 | - |
| Neoteric Trading Services (Pty) Ltd | Spouse | AA Jacobs | Cape Agulhas Municipality | Director | 52 324 | - |
| Malherbe Tubb Faure Inc | Child | C Faure | Western Cape Education Department | Teacher | 33 000 | - |
| | Parent | P Williams | Cape Winelands District Municipality | Executive Director | | |
| Ladybugs Innovative Marketing (Pty) Ltd | Spouse | RA Levendal | Department of Correctional Services | Environmental Health Practitioner | 31 594 | 41 318 |
| Zutari (Pty) Ltd | Spouse | Ahischlager, HC | Special investigating Unit | Legal Representative | - | 280 955 |
| | Spouse | Nadasen K | National Department of Public Works | Director: Key Account Management | | |
| | Sister | Seegers, S | City of Cape Town | Head of Security Architecture | | |
| | | | | | 8 061 389 | 3 183 440 |



DC2 Cape Winelands DM - Reconciliation of Table A1 Budget Summary

| Description | 2021/22 | | | | | | | | 2020/21 | | | |
|--|-----------------|---|-----------------------------|----------------|-----------------------------|-----------------|---|--|---|--|----------------------------|-----------------------------|
| | Original Budget | Budget Adjustments (i.t.o. MFMA s28) | Final adjustments budget | Actual Outcome | Unauthorised expenditure | Variance | Actual Outcome as % of Final Budget | Actual Outcome as % of Original Budget | Reported unauthorised expenditure | Expenditure authorised in terms of section 32 of MFMA | Balance to be recovered | Restated Audited Outcome |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| R thousands | | | | | | | | | | | | |
| Financial Performance | | | | | | | | | | | | |
| Property rates | - | - | - | - | - | - | - | - | - | - | - | - |
| Service charges | - | - | - | - | - | - | - | - | - | - | - | - |
| Investment revenue | 39 000 | 2 000 | 41 000 | 40 295 | - | (705) | 98,3% | 103,3% | - | - | - | - |
| Transfers recognised - operational | 255 304 | 3 347 | 258 651 | 253 669 | - | (4 982) | 98,1% | 99,4% | - | - | - | - |
| Other own revenue | 132 217 | (12 901) | 119 316 | 117 640 | - | (1 676) | 98,6% | 89,0% | - | - | - | - |
| Total Revenue (excluding capital transfers and contributions) | 426 521 | (7 554) | 418 967 | 411 604 | | (7 363) | 98,2% | 96,5% | | | | |
| Employee costs | 230 811 | 162 | 230 973 | 218 979 | - | (11 994) | 94,8% | 94,9% | - | - | - | - |
| Remuneration of councillors | 13 241 | (9) | 13 232 | 12 745 | - | (487) | 96,3% | 96,3% | - | - | - | - |
| Debt impairment | 500 | (380) | 120 | 113 | - | (7) | 94,1% | 22,6% | - | - | - | - |
| Depreciation & asset impairment | 7 793 | 2 083 | 9 876 | 9 801 | - | (75) | 99,2% | 125,8% | - | - | - | - |
| Finance charges | - | - | - | - | - | - | - | - | - | - | - | - |
| Materials and bulk purchases | 23 688 | (101) | 23 587 | 21 452 | - | (2 134) | 91,0% | 90,6% | - | - | - | - |
| Transfers and grants | 20 421 | (1 767) | 18 654 | 16 988 | - | (1 666) | 91,1% | 83,2% | - | - | - | - |
| Other expenditure | 131 024 | (7 291) | 123 733 | 96 892 | - | (26 841) | 78,3% | 73,9% | - | - | - | - |
| Total Expenditure | 427 477 | (7 302) | 420 175 | 376 971 | | (43 205) | 89,7% | 88,2% | | | | |
| Surplus/(Deficit) | (956) | (252) | (1 208) | 34 633 | | 35 841 | -286,6% | -3621,9% | | | | |
| Transfers recognised - capital | 956 | 252 | 1 208 | 54 | - | (1 154) | 4,5% | 5,7% | - | - | - | - |
| Contributions recognised - capital & contributed assets | - | - | - | 929 | - | 929 | #DIV/0! | #DIV/0! | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | | | | 35 616 | | 35 616 | #DIV/0! | #DIV/0! | | | | |
| Share of surplus/ (deficit) of associate | - | - | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) for the year | | | | 35 616 | | 35 616 | #DIV/0! | #DIV/0! | | | | |
| Capital expenditure & funds sources | | | | | | | | | | | | |
| Capital expenditure | | | | | | | | | | | | |
| Transfers recognised - capital | 956 | 252 | 1 208 | 54 | - | (1 154) | 4,5% | 5,7% | - | - | - | - |
| Public contributions & donations | - | - | - | 929 | - | 929 | #DIV/0! | #DIV/0! | - | - | - | - |
| Borrowing | - | - | - | - | - | - | - | - | - | - | - | - |
| Internally generated funds | 67 882 | (53 583) | 14 299 | 2 150 | - | (12 149) | 15,0% | 3,2% | - | - | - | - |
| Total sources of capital funds | 68 838 | (53 331) | 15 507 | 3 133 | | (12 374) | 20,2% | 4,6% | | | | |
| Cash flows | | | | | | | | | | | | |
| Net cash from (used) operating | 89 303 | (40 556) | 48 747 | 29 344 | - | (19 404) | 60,2% | 32,9% | - | - | - | - |
| Net cash from (used) investing | (68 838) | 53 377 | (15 461) | (5 168) | - | 10 293 | 33,4% | 7,5% | - | - | - | - |
| Net cash from (used) financing | - | (20) | 20 | - | - | 20 | - | - | - | - | - | - |
| Cash/cash equivalents at the year end | 737 457 | 61 962 | 799 420 | 790 329 | | (9 091) | 98,9% | 107,2% | | | | |

DC2 Cape Winelands DM - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

| Description | 2021/22 | | | | | | | | 2020/21 | | | |
|--|-----------------|---|--------------------------|----------------|--------------------------|---|-------------------------------------|--|-----------------------------------|---|-------------------------|--------------------------|
| | Original Budget | Budget Adjustments (i.t.o. MFMA s28) | 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 | Reported unauthorised expenditure | Expenditure authorised in terms of section 32 of MFMA | Balance to be recovered | Restated Audited Outcome |
| R thousand | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| Revenue - Standard | | | | | | | | | | | | |
| Governance and administration | 297 058 | 1 072 | 298 130 | 297 069 | | (1 060) | 99,6% | 100,0% | | | | - |
| Executive and council | 52 826 | 1 174 | 54 000 | 52 333 | | (1 667) | 96,9% | 99,1% | | | | |
| Budget and treasury office | 243 647 | 46 | 243 693 | 243 456 | | (237) | 99,9% | 99,9% | | | | |
| Corporate services | 585 | (148) | 436 | 1 280 | | 844 | 293,3% | 218,9% | | | | |
| Community and public safety | 3 172 | 1 510 | 4 682 | 3 316 | | (1 366) | 70,8% | 104,5% | | | | - |
| Community and social services | 2 399 | 464 | 2 863 | 2 394 | | (469) | 83,6% | 99,8% | | | | |
| Sport and recreation | - | - | - | - | | - | - | - | | | | |
| Public safety | 120 | 1 046 | 1 166 | 183 | | (983) | 15,7% | 152,3% | | | | |
| Housing | - | - | - | - | | - | - | - | | | | |
| Health | 653 | - | 653 | 740 | | 87 | 113,3% | 113,3% | | | | |
| Economic and environmental services | 127 197 | (9 833) | 117 364 | 112 202 | | (5 162) | 95,6% | 88,2% | | | | - |
| Planning and development | 5 686 | 2 200 | 7 886 | 4 071 | | (3 815) | 51,6% | 71,6% | | | | |
| Road transport | 121 511 | (12 033) | 109 478 | 108 131 | | (1 347) | 98,8% | 89,0% | | | | |
| Environmental protection | - | - | - | - | | - | - | - | | | | |
| Trading services | - | - | - | - | | - | - | - | | | | - |
| Electricity | - | - | - | - | | - | - | - | | | | |
| Water | - | - | - | - | | - | - | - | | | | |
| Waste water management | - | - | - | - | | - | - | - | | | | |
| Waste management | - | - | - | - | | - | - | - | | | | |
| Other | 50 | (50) | - | - | | - | - | - | | | | |
| Total Revenue - Standard | 427 477 | (7 302) | 420 175 | 412 587 | | (7 588) | 98,2% | 96,5% | | | | - |
| Expenditure - Standard | | | | | | | | | | | | |
| Governance and administration | 135 171 | 1 354 | 136 525 | 123 837 | - | (12 689) | 90,7% | 91,6% | - | - | - | - |
| Executive and council | 41 234 | 4 124 | 45 357 | 44 954 | - | (403) | 99,1% | 109,0% | | | | |
| Budget and treasury office | 29 325 | (1 494) | 27 831 | 23 045 | - | (4 786) | 82,8% | 78,6% | | | | |
| Corporate services | 64 613 | (1 276) | 63 336 | 55 837 | - | (7 499) | 88,2% | 86,4% | | | | |
| Community and public safety | 124 382 | 7 178 | 131 560 | 118 705 | - | (12 855) | 90,2% | 95,4% | - | - | - | - |
| Community and social services | 20 978 | (403) | 20 575 | 18 101 | - | (2 475) | 88,0% | 86,3% | | | | |
| Sport and recreation | - | - | - | - | - | - | - | - | | | | |
| Public safety | 62 811 | 8 274 | 71 085 | 63 205 | - | (7 880) | 88,9% | 100,6% | | | | |
| Housing | - | - | - | - | - | - | - | - | | | | |
| Health | 40 593 | (694) | 39 899 | 37 399 | - | (2 500) | 93,7% | 92,1% | | | | |
| Economic and environmental services | 159 591 | (15 167) | 144 425 | 127 800 | - | (16 625) | 88,5% | 80,1% | - | - | - | - |
| Planning and development | 31 378 | (1 452) | 29 926 | 23 161 | - | (6 765) | 77,4% | 73,8% | | | | |
| Road transport | 128 214 | (13 714) | 114 499 | 104 639 | - | (9 861) | 91,4% | 81,6% | | | | |
| Environmental protection | - | - | - | - | - | - | - | - | | | | |
| Trading services | - | - | - | - | - | - | - | - | - | - | - | - |
| Electricity | - | - | - | - | - | - | - | - | | | | |
| Water | - | - | - | - | - | - | - | - | | | | |
| Waste water management | - | - | - | - | - | - | - | - | | | | |
| Waste management | - | - | - | - | - | - | - | - | | | | |
| Other | 8 332 | (667) | 7 665 | 6 629 | - | (1 036) | 86,5% | 79,6% | | | | |
| Total Expenditure - Standard | 427 477 | (7 302) | 420 175 | 376 971 | - | (43 205) | 89,7% | 88,2% | - | - | - | - |
| Surplus/(Deficit) for the year | - | - | - | 35 616 | - | 35 616 | #DIV/0! | #DIV/0! | - | - | - | - |



DC2 Cape Winelands DM - Reconciliation of Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

| Vote Description | 2021/22 | | | | | | | | 2020/21 | | | |
|---|-----------------|---|-----------------------------|----------------|--------------------------|---|-------------------------------------|--|-----------------------------------|---|-------------------------|--------------------------|
| | Original Budget | Budget Adjustments (i.t.o. MFMA s28) | 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 | Reported unauthorised expenditure | Expenditure authorised in terms of section 32 of MFMA | Balance to be recovered | Restated Audited Outcome |
| R thousand | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| Revenue by Vote | | | | | | | | | | | | |
| Vote 1 - REGIONAL DEVELOPMENT AND PLAN | 50 | (50) | - | - | | - | - | - | | | | |
| Vote 2 - COMM AND DEV | 3 096 | 1 341 | 4 437 | 3 275 | | (1 162) | 73,8% | 105,8% | | | | |
| Vote 3 - ENGINEERING | 6 586 | 822 | 7 409 | 3 121 | | (4 288) | 42,1% | 47,4% | | | | |
| Vote 4 - RURAL AND SOCIAL | 76 | 169 | 245 | 41 | | (204) | 16,8% | 54,1% | | | | |
| Vote 5 - OFFICE OF THE MM | - | 2 200 | 2 200 | 2 000 | | (200) | 90,9% | #DIV/0! | | | | |
| Vote 6 - FINANCIAL SERVICES | 243 647 | 46 | 243 693 | 243 456 | | (237) | 99,9% | 99,9% | | | | |
| Vote 7 - CORPORATE SERVICES | 53 411 | 1 026 | 54 437 | 53 613 | | (823) | 98,5% | 100,4% | | | | |
| Vote 8 - ROADS AGENCY | 120 611 | (12 856) | 107 755 | 107 081 | | (675) | 99,4% | 88,8% | | | | |
| Vote 9 - TASK | - | - | - | - | | - | - | - | | | | |
| Vote 10 - HEALTH AGENCY | - | - | - | - | | - | - | - | | | | |
| Vote 11 - CORPORATE SERVICES | - | - | - | - | | - | - | - | | | | |
| Example 12 - Vote12 | - | - | - | - | | - | - | - | | | | |
| Example 13 - Vote13 | - | - | - | - | | - | - | - | | | | |
| Example 14 - Vote14 | - | - | - | - | | - | - | - | | | | |
| Example 15 - Vote15 | - | - | - | - | | - | - | - | | | | |
| Total Revenue by Vote | 427 477 | (7 302) | 420 175 | 412 587 | | (7 588) | 98,2% | 96,5% | | | | - |
| Expenditure by Vote to be appropriated | | | | | | | | | | | | |
| Vote 1 - REGIONAL DEVELOPMENT AND PLAN | 18 390 | (1 385) | 17 006 | 15 399 | | (1 607) | 90,5% | 83,7% | | | | |
| Vote 2 - COMM AND DEV | 111 949 | 7 975 | 119 923 | 107 959 | | (11 964) | 90,0% | 96,4% | | | | |
| Vote 3 - ENGINEERING | 42 543 | (4 793) | 37 751 | 27 999 | | (9 752) | 74,2% | 65,8% | | | | |
| Vote 4 - RURAL AND SOCIAL | 12 434 | (797) | 11 637 | 10 746 | | (891) | 92,3% | 86,4% | | | | |
| Vote 5 - OFFICE OF THE MM | 14 940 | 863 | 15 803 | 14 127 | | (1 676) | 89,4% | 94,6% | | | | |
| Vote 6 - FINANCIAL SERVICES | 29 325 | (1 494) | 27 831 | 23 045 | | (4 786) | 82,8% | 78,6% | | | | |
| Vote 7 - CORPORATE SERVICES | 69 481 | 4 414 | 73 895 | 70 483 | | (3 412) | 95,4% | 101,4% | | | | |
| Vote 8 - ROADS AGENCY | 121 651 | (12 298) | 109 353 | 101 827 | | (7 525) | 93,1% | 83,7% | | | | |
| Vote 9 - TASK | - | - | - | - | | - | - | - | | | | |
| Vote 10 - HEALTH AGENCY | - | - | - | - | | - | - | - | | | | |
| Vote 11 - CORPORATE SERVICES | 6 764 | 213 | 6 977 | 5 386 | | (1 592) | 77,2% | 79,6% | | | | |
| Example 12 - Vote12 | - | - | - | - | | - | - | - | | | | |
| Example 13 - Vote13 | - | - | - | - | | - | - | - | | | | |
| Example 14 - Vote14 | - | - | - | - | | - | - | - | | | | |
| Example 15 - Vote15 | - | - | - | - | | - | - | - | | | | |
| Total Expenditure by Vote | 427 477 | (7 302) | 420 175 | 376 971 | - | (43 205) | 89,7% | 88,2% | - | - | - | - |
| Surplus/(Deficit) for the year | - | - | - | 35 616 | - | 35 616 | #DIV/0! | #DIV/0! | - | - | - | - |



DC2 Cape Winelands DM - Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

| Description | 2021/22 | | | | | | | | 2020/21 | | | |
|--|-----------------|---|--------------------------|----------------|--------------------------|-----------------|-------------------------------------|--|-----------------------------------|---|-------------------------|--------------------------|
| | Original Budget | Budget Adjustments (i.t.o. MFMA s28) | Final adjustments budget | Actual Outcome | Unauthorised expenditure | Variance | Actual Outcome as % of Final Budget | Actual Outcome as % of Original Budget | Reported unauthorised expenditure | Expenditure authorised in terms of section 32 of MFMA | Balance to be recovered | Restated Audited Outcome |
| R thousand | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| Revenue By Source | | | | | | | | | | | | |
| Property rates | - | - | - | - | - | - | - | - | - | - | - | - |
| Property rates - penalties & collection charges | - | - | - | - | - | - | - | - | - | - | - | - |
| Service charges - electricity revenue | - | - | - | - | - | - | - | - | - | - | - | - |
| Service charges - water revenue | - | - | - | - | - | - | - | - | - | - | - | - |
| Service charges - sanitation revenue | - | - | - | - | - | - | - | - | - | - | - | - |
| Service charges - refuse revenue | - | - | - | - | - | - | - | - | - | - | - | - |
| Service charges - other | - | - | - | - | - | - | - | - | - | - | - | - |
| Rental of facilities and equipment | 240 | - | 240 | 229 | - | (11) | 95,4% | 95,4% | - | - | - | - |
| Interest earned - external investments | 39 000 | 2 000 | 41 000 | 40 295 | - | (705) | 98,3% | 103,3% | - | - | - | - |
| Interest earned - outstanding debtors | - | - | - | - | - | - | - | - | - | - | - | - |
| Dividends received | - | - | - | - | - | - | - | - | - | - | - | - |
| Fines | - | - | - | - | - | - | - | - | - | - | - | - |
| Licences and permits | 653 | - | 653 | 740 | - | 87 | 113,3% | 113,3% | - | - | - | - |
| Agency services | 119 505 | (12 062) | 107 443 | 106 980 | - | (464) | 99,6% | 89,5% | - | - | - | - |
| Transfers recognised - operational | 255 304 | 3 347 | 258 651 | 253 669 | - | (4 982) | 98,1% | 99,4% | - | - | - | - |
| Other revenue | 11 819 | (840) | 10 980 | 9 691 | - | (1 289) | 88,3% | 82,0% | - | - | - | - |
| Gains on disposal of PPE | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenue (excluding capital transfers and contributions) | 426 521 | (7 554) | 418 967 | 411 604 | | (7 363) | 98,2% | 96,5% | | | | - |
| Expenditure By Type | | | | | | | | | | | | |
| Employee related costs | 230 811 | 162 | 230 973 | 218 979 | - | (11 994) | 94,8% | 94,9% | - | - | - | - |
| Remuneration of councillors | 13 241 | (9) | 13 232 | 12 745 | - | (487) | 96,3% | 96,3% | - | - | - | - |
| Debt impairment | 500 | (380) | 120 | 113 | - | (7) | 94,1% | 22,6% | - | - | - | - |
| Depreciation & asset impairment | 7 793 | 2 083 | 9 876 | 9 801 | - | (75) | 99,2% | 125,8% | - | - | - | - |
| Finance charges | - | - | - | - | - | - | - | - | - | - | - | - |
| Bulk purchases | - | - | - | - | - | - | - | - | - | - | - | - |
| Other materials | 23 688 | (101) | 23 587 | 21 452 | - | (2 134) | 91,0% | 90,6% | - | - | - | - |
| Contracted services | 54 488 | (698) | 53 790 | 33 225 | - | (20 565) | 61,8% | 61,0% | - | - | - | - |
| Transfers and grants | 20 421 | (1 767) | 18 654 | 16 988 | - | (1 666) | 91,1% | 83,2% | - | - | - | - |
| Other expenditure | 76 525 | (6 728) | 69 796 | 63 535 | - | (6 261) | 91,0% | 83,0% | - | - | - | - |
| Loss on disposal of PPE | 12 | 135 | 147 | 132 | - | (15) | 90,1% | 1103,9% | - | - | - | - |
| Total Expenditure | 427 477 | (7 302) | 420 175 | 376 971 | - | (43 205) | 89,7% | 88,2% | - | - | - | - |
| Surplus/(Deficit) | (956) | (252) | (1 208) | 34 633 | | 35 841 | -2866,6% | -3621,9% | | | | - |
| Transfers recognised - capital | 956 | 252 | 1 208 | 54 | - | (1 154) | 4,5% | 5,7% | - | - | - | - |
| Contributions recognised - capital | - | - | - | - | - | - | - | - | - | - | - | - |
| Contributed assets | - | - | - | 929 | - | 929 | #DIV/0! | #DIV/0! | - | - | - | - |
| | - | - | - | 35 616 | - | 35 616 | #DIV/0! | #DIV/0! | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | | | | | | | | | | | | |
| Taxation | - | - | - | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after taxation | | | | | | | | | | | | |
| Attributable to minorities | - | - | - | 35 616 | - | 35 616 | #DIV/0! | #DIV/0! | - | - | - | - |
| Surplus/(Deficit) attributable to municipality | | | | | | | | | | | | |
| Share of surplus/ (deficit) of associate | - | - | - | 35 616 | - | 35 616 | #DIV/0! | #DIV/0! | - | - | - | - |
| Surplus/(Deficit) for the year | - | - | - | 35 616 | | 35 616 | #DIV/0! | #DIV/0! | | | | - |

DC2 Cape Winelands DM - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

| Vote Description | 2021/22 | | | | | | | 2020/21 | | | | |
|---|-----------------|--|--------------------------|----------------|--------------------------|-----------------|-------------------------------------|--|-----------------------------------|---|-------------------------|--------------------------|
| | Original Budget | Total Budget Adjustments (i.e. MFMA s28) | Final adjustments budget | Actual Outcome | Unauthorised expenditure | Variance | Actual Outcome as % of Final Budget | Actual Outcome as % of Original Budget | Reported unauthorised expenditure | Expenditure authorised in terms of section 32 of MFMA | Balance to be recovered | Restated Audited Outcome |
| R thousand | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| Capital expenditure - Vote | | | | | | | | | | | | |
| Multi-year expenditure | | | | | | | | | | | | |
| Vote 1 - REGIONAL DEVELOPMENT AND PLAN | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 2 - COMM AND DEV | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 3 - ENGINEERING | 27 000 | (26 800) | 200 | - | - | (200) | - | - | - | - | - | - |
| Vote 4 - RURAL AND SOCIAL | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 5 - OFFICE OF THE MM | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 6 - FINANCIAL SERVICES | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 7 - CORPORATE SERVICES | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 8 - ROADS AGENCY | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 9 - TASK | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 10 - HEALTH AGENCY | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 11 - CORPORATE SERVICES | - | - | - | - | - | - | - | - | - | - | - | - |
| Example 12 - Vote12 | - | - | - | - | - | - | - | - | - | - | - | - |
| Example 13 - Vote13 | - | - | - | - | - | - | - | - | - | - | - | - |
| Example 14 - Vote14 | - | - | - | - | - | - | - | - | - | - | - | - |
| Example 15 - Vote15 | - | - | - | - | - | - | - | - | - | - | - | - |
| Capital multi-year expenditure | 27 000 | (26 800) | 200 | - | - | (200) | - | - | - | - | - | - |
| Single-year expenditure | | | | | | | | | | | | |
| Vote 1 - REGIONAL DEVELOPMENT AND PLAN | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 2 - COMM AND DEV | 27 538 | (20 618) | 6 920 | 1 031 | - | (5 889) | 15% | 4% | - | - | - | - |
| Vote 3 - ENGINEERING | 9 253 | (3 353) | 5 899 | 568 | - | (5 331) | 10% | 6% | - | - | - | - |
| Vote 4 - RURAL AND SOCIAL | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 5 - OFFICE OF THE MM | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 6 - FINANCIAL SERVICES | - | 124 | 124 | 83 | - | (41) | 67% | #DIV/0! | - | - | - | - |
| Vote 7 - CORPORATE SERVICES | 4 091 | (1 894) | 2 197 | 1 392 | - | (805) | 63% | 34% | - | - | - | - |
| Vote 8 - ROADS AGENCY | 956 | (794) | 162 | 54 | - | (108) | 33% | 6% | - | - | - | - |
| Vote 9 - TASK | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 10 - HEALTH AGENCY | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 11 - CORPORATE SERVICES | - | 4 | 4 | 4 | - | (0) | 100% | #DIV/0! | - | - | - | - |
| Example 12 - Vote12 | - | - | - | - | - | - | - | - | - | - | - | - |
| Example 13 - Vote13 | - | - | - | - | - | - | - | - | - | - | - | - |
| Example 14 - Vote14 | - | - | - | - | - | - | - | - | - | - | - | - |
| Example 15 - Vote15 | - | - | - | - | - | - | - | - | - | - | - | - |
| Capital single-year expenditure | 41 838 | (26 531) | 15 307 | 3 133 | - | (12 174) | 20% | 7% | - | - | - | - |
| Total Capital Expenditure - Vote | 68 838 | (53 331) | 15 507 | 3 133 | - | (12 374) | 20% | 5% | - | - | - | - |
| Capital Expenditure - Standard | | | | | | | | | | | | |
| Governance and administration | 8 846 | (2 061) | 6 786 | 1 847 | - | (4 938) | 27% | 21% | - | - | - | - |
| Executive and council | - | 4 | 4 | 4 | - | (0) | 100% | #DIV/0! | - | - | - | - |
| Budget and treasury office | - | 124 | 124 | 83 | - | (41) | 67% | #DIV/0! | - | - | - | - |
| Corporate services | 8 846 | (2 189) | 6 657 | 1 760 | - | (4 897) | 26% | 20% | - | - | - | - |
| Community and public safety | 27 538 | (20 618) | 6 920 | 1 031 | - | (5 889) | 15% | 4% | - | - | - | - |
| Community and social services | 8 415 | (8 278) | 137 | 193 | - | 56 | 141% | 2% | - | - | - | - |
| Sport and recreation | - | - | - | - | - | - | - | - | - | - | - | - |
| Public safety | 19 088 | (12 352) | 6 736 | 792 | - | (5 944) | 12% | 4% | - | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - | - | - | - |
| Health | 36 | 11 | 47 | 47 | - | (0) | 100% | 131% | - | - | - | - |
| Economic and environmental services | 32 454 | (30 652) | 1 802 | 255 | - | (1 547) | 14% | 1% | - | - | - | - |
| Planning and development | 31 498 | (29 892) | 1 606 | 201 | - | (1 405) | 12% | 1% | - | - | - | - |
| Road transport | 956 | (760) | 196 | 54 | - | (142) | 28% | 6% | - | - | - | - |
| Environmental protection | - | - | - | - | - | - | - | - | - | - | - | - |
| Trading services | - | - | - | - | - | - | - | - | - | - | - | - |
| Electricity | - | - | - | - | - | - | - | - | - | - | - | - |
| Water | - | - | - | - | - | - | - | - | - | - | - | - |
| Waste water management | - | - | - | - | - | - | - | - | - | - | - | - |
| Waste management | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure - Standard | 68 838 | (53 331) | 15 507 | 3 133 | - | (12 374) | 20% | 5% | - | - | - | - |
| Funded by: | | | | | | | | | | | | |
| National Government | - | - | - | - | - | - | - | - | - | - | - | - |
| Provincial Government | 956 | 252 | 1 208 | 54 | - | (1 154) | 4% | 6% | - | - | - | - |
| District Municipality | - | - | - | - | - | - | - | - | - | - | - | - |
| Other transfers and grants | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfers recognised - capital | 956 | 252 | 1 208 | 54 | - | (1 154) | 4% | 6% | - | - | - | - |
| Public contributions & donations | - | - | - | 929 | - | - | #DIV/0! | #DIV/0! | - | - | - | - |
| Borrowing | - | - | - | - | - | - | - | - | - | - | - | - |
| Internally generated funds | 67 882 | (53 583) | 14 299 | 2 150 | - | (12 149) | 15% | 3% | - | - | - | - |
| Total Capital Funding | 68 838 | (53 331) | 15 507 | 3 133 | - | (12 374) | 20% | 5% | - | - | - | - |



DC2 Cape Winelands DM - Reconciliation of Table A7 Budgeted Cash Flows

| Description | 2021/22 | | | | | | | 2020/21 |
|---|-----------------|------------------------------------|--------------------------|----------------|-----------------|-------------------------------------|--|--------------------------|
| | Original Budget | Budget Adjustments (i.t.o. s28) | Final adjustments budget | Actual Outcome | Variance | Actual Outcome as % of Final Budget | Actual Outcome as % of Original Budget | Restated Audited Outcome |
| R thousand | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | |
| Receipts | | | | | | | | |
| Ratepayers and other | 132 217 | 896 | 133 114 | 86 558 | (46 556) | 65,0% | 65,5% | |
| Government - operating | 255 304 | 2 020 | 257 324 | 253 284 | (4 040) | 98,4% | 99,2% | |
| Government - capital | 956 | (794) | 162 | - | (162) | - | - | |
| Interest | 39 000 | 2 000 | 41 000 | 34 764 | (6 236) | 84,8% | 89,1% | |
| Dividends | - | - | - | - | - | - | - | |
| Payments | | | | | | | | |
| Suppliers and employees | (323 057) | (47 251) | (370 308) | (328 275) | 42 033 | 88,6% | 101,6% | |
| Finance charges | - | - | - | - | - | - | - | |
| Transfers and Grants | (15 118) | 2 573 | (12 545) | (16 988) | (4 444) | 135,4% | 112,4% | |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | 89 303 | (40 556) | 48 747 | 29 344 | (19 404) | 60,2% | 32,9% | - |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | |
| Receipts | | | | | | | | |
| Proceeds on disposal of PPE | - | 46 | 46 | 46 | 0 | 100,0% | #DIV/0! | |
| Decrease (Increase) in non-current debtors | - | - | - | - | - | - | - | |
| Decrease (increase) other non-current receivables | - | - | - | - | - | - | - | |
| Decrease (increase) in non-current investments | - | - | - | - | - | - | - | |
| Payments | | | | | | | | |
| Capital assets | (68 838) | 53 331 | (15 507) | (5 214) | 10 293 | 33,6% | 7,6% | |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | (68 838) | 53 377 | (15 461) | (5 168) | 10 293 | 33,4% | 7,5% | - |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | |
| Receipts | | | | | | | | |
| Short term loans | - | - | - | - | - | - | - | |
| Borrowing long term/refinancing | - | - | - | - | - | - | - | |
| Increase (decrease) in consumer deposits | - | (20) | (20) | - | 20 | - | - | |
| Payments | | | | | | | | |
| Repayment of borrowing | - | - | - | - | - | - | - | |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | - | (20) | (20) | - | 20 | - | - | - |
| NET INCREASE/ (DECREASE) IN CASH HELD | 20 465 | 12 801 | 33 266 | 24 175 | | | | - |
| Cash/cash equivalents at the year begin: | 716 993 | 49 161 | 766 154 | 766 154 | | | | |
| Cash/cash equivalents at the year end: | 737 457 | 61 962 | 799 420 | 790 329 | (9 091) | 98,9% | 107,2% | |



ANNEXURE “B”

DISCLOSURE OF BENEFITS IN TERMS OF THE LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT 32 of 2000

In terms of **Schedule 1. 5(2)** A councillor who, or whose spouse, partner, business associate or close family member, acquired or stands to acquire any direct benefit from a contract concluded with the municipality, must disclose full particulars of the benefit of which the councillor is aware at the first meeting of the municipal council at which it is possible for the councillor to make the disclosure; and

In terms of **Schedule 2. 5(1)** A staff member of a municipality who, or whose spouse, partner, business associate or close family member, acquired or stands to acquire any direct benefit from a contract concluded with the municipality, must disclose in writing full particulars of the benefit to the council.

| BENEFICIARY | RELATIONSHIP | DETAIL (INDIRECT RELATION) | THIRD PARTY CONNECTION | 2022 | 2021 |
|-----------------------------|---------------------|----------------------------|------------------------|------|---------------|
| Johan Carinus Familie Trust | Close family member | CLR. GJ Carinus | Johan George Carinus | - | 36 000 |
| | | | | - | 36 000 |

Necessary internal controls are implemented to consider the possibility, and to assess the likelihood, that a relationship between key management and councillors of the Municipality and related parties of suppliers with whom the Municipality does business with, would be able to influence a contract concluded by the Municipality in their mutual dealings, as envisaged in Schedules 1 par.5(2) and 2 par.5.1 of the Municipal Systems Act.



CHAPTER 8 – AUDIT COMMITTEE REPORT

REFER TO ATTACHED REPORT.

AUDIT AND PERFORMANCE COMMITTEE

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022



CAPE WINELANDS DISTRICT
MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

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REPORT BY THE CHAIRPERSON OF THE CAPE WINELANDS DISTRICT MUNICIPALITY (CWDM) AUDIT AND PERFORMANCE COMMITTEE ("THE COMMITTEE") FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022.

1. Introduction

We are pleased to present our Audit and Performance Committee Annual Report for the financial year ended 30 June 2022. The Audit and Performance Committee has complied with its responsibilities in terms of section 166 of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) (MFMA) and applicable Treasury Regulations.

The committee consists of four independent members who are appropriately qualified, financially literate and acquainted with the risk management and performance management disciplines.

The Audit and Performance Committee meets at least four times per annum in accordance with its terms of reference.

The committee held eight (8) meetings during the financial year under review.

Dates of Audit and Performance Committee meetings:

- 30 July 2021
- 27 August 2021 – Discussion of the annual financial statements
- 16 September 2021 – Special meeting with Auditor-General (AG) (engagement letter and audit strategy)
- 29 October 2021
- 29 November 2021 – Special meeting with AG (discussion of draft management report)
- 04 February 2022
- 24 May 2022
- 23 June 2022 – Special meeting to approve Internal Audit's strategic documents

The Audit and Performance Committee is constituted as follows:

| Name of member | Meetings attended | Comments |
|---------------------------------------|-------------------|----------------------------|
| Ms M Loubser (Chairperson) – external | 8 out of 8 | Term ended on 30 June 2022 |
| Mr M Grobler – external | 8 out of 8 | |
| Mr P le Roux – external | 5 out of 8 | |
| Mr O Valley – external | 8 out of 8 | |

Other regular invitees included the following:

- Municipal Manager
- Chief Financial Officer
- Executive Director: Community Development and Planning Services
- Executive Director: Technical Services
- Director: IDP, Performance and Risk Management

-
- Chief Audit Executive
 - Deputy Director: ICT
 - Deputy Director: Performance and Risk Management
 - Auditor-General representatives
 - Provincial Treasury

2. Audit Committee responsibility

The Audit and Performance Committee has adopted appropriate formal terms of reference as its Audit Committee Charter and has regulated its affairs in compliance with this charter.

The charter is regularly updated and complies with principles of good governance and with the requirements in terms of section 166 of the MFMA.

In the conduct of its duties, the Audit and Performance Committee has performed the following activities:

- The quality and integrity of the financial reporting process
- The system of internal control
- The organisation's process for monitoring compliance with laws and regulations and the code of conduct
- Internal and external audit functions
- Performance management
- The risk management and governance process
- The Audit Committee also serves as the Performance Committee of the Cape Winelands District Municipality and in that respect evaluates and approves the quarterly reports from Internal Audit on performance as prescribed by legislation
- The Head of Internal Audit attended and reported at all quarterly meetings of the Audit and Performance Committee.

3. Report on the operations of the Audit and Performance Committee

During the financial year ended 30 June 2022, the Audit and Performance Committee convened eight times to discharge its statutory responsibilities, which include the following – this is to be regarded as an overview and not an exhaustive list:

3.1 Evaluation of the financial statements

The external audit was conducted by the Auditor-General who presented its Audit Strategy and Scope during the meeting on 02 November 2022.

The Audit and Performance Committee reviewed:

- the draft annual financial statements;
- the appropriateness of accounting policies and practices; and
- significant adjustments resulting from the audit.

The draft annual financial statements for the year ended 30 June 2022 were reviewed and scrutinised in detail and served as input at the Special Audit and Performance Committee meeting held on 26 August 2022.

3.2 Annual Report

In addition to the annual financial statements, the draft Annual Report for the year ended 30 June 2022 was reviewed by the Audit and Performance Committee at the Special Audit and Performance Committee meeting held on 26 August 2022.

The 2021/22 draft Annual Performance Report was submitted for review to the Special Audit and Performance Committee meeting on 12 December 2022.

3.3 Effectiveness of the Internal Audit Unit

The Head of Internal Audit has a responsibility to the Audit and Performance Committee and has direct access to members of the committee as well as the chairperson of the committee. The Head of Internal Audit reports functionally to the chairperson of the Audit and Performance Committee and administratively to the Municipal Manager.

The committee:

- reviewed and approved the internal audit annual risk-based audit plan for the 2021/2022 financial year and verified that it addressed the full spectrum of risk that was identified during the risk assessment completed in May 2021;
- evaluated the independence, effectiveness and performance of the internal audit function and that the internal audit function has the necessary resources, standing and authority in the organisation to discharge its duties, which were found to be satisfactory;
- assessed the adequacy and sufficiency of available internal audit resources and found these to be limited; more resources would be required to evaluate the control weaknesses and high-risk areas identified in the corporate strategic risk, ICT and general controls, external audit and the audit universe;
- reviewed and considered the quarterly reports by the Head of Internal Audit in respect of the progress made on the annual audit plan and of findings resulting from internal control reviews;
- reviewed issues raised by Internal Audit and the adequacy of corrective action taken by management in response thereto; and
- reviewed eleven (11) audit reports, namely:
 - Performance Management System – Quarterly
 - Governance review
 - DORA review

-
- MFMA Compliance review
 - Cash Investment Management
 - Human Resource – Leave
 - OHASA review
 - Insurance
 - Annual year-end stock-take for Auditor-General
 - Risk Management
 - Payroll: Councilors, Executive Directors and staff

The adjusted planned audits for 2021/2022 were achieved.

In this regard the Audit and Performance Committee wishes to express its appreciation to the Internal Audit Unit.

The position of Chief Audit Executive was vacant from 01 September 2021 to 30 April 2022 (eight months), which resulted in the cancellation of three (3) audits of the approved 2021/2022 annual risk-based audit plan. The vacancy of Chief Audit Executive was subsequently filled from 01 May 2022.

3.4 Performance management

The Audit and Performance Committee reviewed the quarterly SDBIP reports for 2021/2022, which were submitted to the committee as part of the quarterly management report.

The Audit and Performance Committee is satisfied that the municipality is in compliance with all statutory requirements and performance management best practices and standards.

- The Audit and Performance Committee reviewed and is satisfied that there is alignment of the Integrated Development Plan, the budget, the Service Delivery and Budget Implementation Plan and performance agreements.
- Performance indicators and targets relating to strategic objectives are specific, measurable, achievable and relevant.
- In total, three quarterly Performance Management System reports were submitted to the Audit and Performance Committee for review.
- Issues raised by Internal Audit and the adequacy of corrective action taken by management in response thereto were reviewed.
- The chairperson of the Audit and Performance Committee attended the annual performance evaluations of the section 56/57 appointments and was satisfied with the course of events.

3.5 Risk management

The Audit and Performance Committee is responsible for determining the nature and extent of the significant risks the Cape Winelands District Municipality has to manage in order to achieve its strategic objectives.

The Audit and Performance Committee is well informed and satisfied with reports regarding the status of risk management in the Cape Winelands District Municipality.

The minutes and report of the Fraud and Risk Management Committee (FARMCO) are presented to the Audit and Performance Committee on a quarterly basis.

A member of the Audit and Performance Committee serves as an independent member on the Fraud and Risk Management Committee.

The committee:

- reviewed and ensured that the Internal Audit Plan is aligned with the risk profile of the CWDM;
- reviewed the Fraud and Risk Management Committee's reports;
- reviewed the Fraud and Risk Committee's charter that was approved by Council;
- fulfilled an oversight role regarding financial reporting risks, internal financial controls, fraud risk as it relates to financial reporting, and information technology risk as it relates to financial reporting;
- reviewed the amended Risk and Fraud Policy prior to submission for approval to Council; and
- reviewed the 2021/2022 financial year draft risk register.

The Audit and Performance Committee is satisfied with the effectiveness of the risk management processes and systems implemented by the Fraud and Risk Management Committee.

3.6 Internal control

The Audit and Performance Committee provided an objective overview of the operational effectiveness of the Cape Winelands District Municipality's systems of internal control.

Quarterly oversight reviews were performed of the management reports (section 52) tabled by the Finance Department and presented by the CFO. The accuracy, completeness and timeliness of these reports is an indication that there are no deficiencies in capacity, resources or controls within the Finance Department.

From the various reports of the Internal Audit Unit, the report on the annual financial statements by the Auditor-General and the Auditor-General's management report, it was noted that no matters were reported that indicated any material deficiencies in the system of internal control or any deviations therefrom.

3.7 Effectiveness of governance

The Audit and Performance Committee reviewed the performance report of the CWDM and is satisfied with the effectiveness of governance based on the performance assessments of senior managers during the year.

3.8 IT governance

As an independent advisory body, the Audit and Performance Committee is responsible to advise on information and communication technology matters and is closely monitoring the progress and implementation of the Municipal Corporate Governance of Information and Communication Technology Framework.

The Audit and Performance Committee also reviewed the ICT Committee's quarterly reports.

The ICT Manager reports to the Audit and Performance Committee on a quarterly basis regarding the progress made on the Auditor-General and Internal Audit findings.

3.9 Combined assurance framework

Formal engagements occurred between the Audit and Performance Committee, management, Council, Internal Audit and the Auditor-General during the year. These engagements continue to be regularised and developed in order to strengthen and enhance the combined assurance model of the municipality.

The combined assurance framework will be developed and fully rolled out during the 2022/2023 financial year. The draft combined assurance risk matrix has been compiled and is in the process of being populated.

4. Auditor-General

The Audit and Performance Committee will meet with the Auditor-General to discuss the audit plan, strategy and presentation of the draft management and audit reports for the 2021/2022 financial year.

The Audit and Performance Committee also provides oversight over the Auditor-General's action plan.

The Audit and Performance Committee concurs with and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited Annual Financial Statements and the reported predetermined objectives should be accepted and read together with the report of the Auditor-General.

The Audit and Performance Committee will monitor the progress and implementation of the recommendations made by the Auditor-General to management.

5. Conclusion

The Audit and Performance Committee w/ould like to thank the Cape Winelands District Municipality for the cooperation and dedication shown during a challenging and unprecedented year.

The Audit and Performance Committee hereby congratulates the Council on their 9th clean audit.

On behalf of the Audit and Performance Committee.



M Grobler

Chairperson: Audit and Performance Committee

22 December 2022



CHAPTER 9 – OVERSIGHT REPORT AND COUNCIL APPROVAL

REFER TO ATTACHED REPORT



CAPE WINELANDS DISTRICT
MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

MPAC/OVERSIGHT

REPORT

2021/2022

FINANCIAL YEAR

1. OBJECTIVE

To submit to Council, in terms of Section 129 of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) (MFMA), the Oversight Report on the Annual Report, covering Cape Winelands District Municipality (CWDM) in respect of the 2021/2022 financial year.

2. BACKGROUND

The 2021/2022 Draft Annual Report was tabled in Council on 26 January 2023, reporting on the Cape Winelands District Municipality's performance for the period from 01 July 2021 until 30 June 2022. The aforementioned report was sent out for public comment from 26 January 2023.

By doing so, Council complied with Section 133 of the MFMA which stipulates that the Executive Mayor must table the Annual Report in Council within 7 months after the end of the financial year, i.e., by the end of January.

The Council of the Cape Winelands District Municipality (CWDM) is furthermore required to engage with and finalise the Annual Report within 9 months after the end of the financial year, which is before 31 March 2023.

The process for the finalisation and approval of the 2021/2022 Annual Report is set out in the table below:

| Activity Description | Provision | Target |
|---|-------------------------------|------------------|
| Preparation of annual financial statements of the municipality and submission to the Auditor-General | MFMA Section 122(1)(2) | 31 August 2022 |
| Receipt of final audit report from Auditor-General | MFMA Section 126(3)(b) | 30 November 2022 |
| Tabling of Draft Annual Report in Council by Executive Mayor | MFMA Section 127(2) | 26 January 2023 |
| Allowing for comment (written submission) by the community and relevant state organs | MFMA Section 127(5)(a) & (b) | 28 February 2023 |
| Allowing verbal comment and oversight on annual report by the Oversight Committee | MFMA Section 130 (5)(a) & (b) | 14 March 2023 |
| Consideration and adoption of Annual Report and Oversight Report by Council | MFMA Section 129(1) | 23 March 2023 |
| Submission of Annual Report and Oversight Report to AG, Provincial Treasury and MEC: Local Government | MFMA Section 129(2)(b) | 30 March 2023 |
| Communication of final Annual Report / Oversight Report (Website, hard copies and other mediums) | MFMA Section 129(3) | 30 March 2023 |

3. APPOINTMENT AND MANDATE OF THE OVERSIGHT COMMITTEE

MFMA Circular 32 of 2006 prescribes the Oversight Process and the establishment of an Oversight Committee. The Municipal Council appointed its Oversight Committee in terms of Section 79 of the Local Government: Municipal Structures Act, Act 117 of 1998 at an urgent Council meeting on the 27 January 2022 as follows:

1. That the Cape Winelands District Municipality Oversight Committee is constituted as follows and is a multi-party committee:

| No. | Name of committee member | Designation | Party |
|-----|------------------------------|-----------------------------|---------|
| 1. | Pedro, A | Councillor | GOOD |
| 2. | De Villiers, P. T (Secundi) | Councillor | GOOD |
| 3. | Manuel, C (Secundi) | Councillor | DA |
| 4. | Jacobs, F | Councillor | DA |
| 5. | Sauerman, N. D(Secundi) | Councillor | DA |
| 6. | Janse, D. B | Councillor | DA |
| 7. | Daniels, P (Secundi) | Councillor | DA |
| 8. | Kriel, J | Councillor | DA |
| 9. | Smit, M (Secundi) | Councillor | DA |
| 10. | Mphulanyana, T. R | Councillor | ANC |
| 11. | Richards, A. M (Secundi) | Councillor | ANC |
| 12. | Nel, D. W | Councillor (Chairperson) | VF PLUS |
| 13. | Du Plessis, A. J (Secundi) | Councillor | VF PLUS |
| 14. | Fredericks, G. j | Councillor | DA |
| 15. | Yabo, M. H | Councillor | ANC |
| 16. | Nalumango, R. S (Secundi) | Councillor | ANC |
| 17. | Goedeman, S | Councillor | DA |
| 18. | Smit, J (Secundi) | Councillor | DA |

2. The following be considered as the primary Terms of Reference for the MPAC in addition to other relevant functions and duties set out in the "Guideline for Establishment of Municipal Public Accounts Committees" as well as National Treasury's Circular 32 of 15 March 2006 titled "The Oversight Report", i.e. the MPAC/Oversight Committee –

- a. Shall not be responsible for policy formulation;

- b. May engage directly with the public and consider public comments when received and will be entitled to request documents or evidence from the Accounting Officer;
- c. Shall have permanent referral of documents as they become available relating to:
 - i. In-year reports of the CWDM;
 - ii. Financial statements of the CWDM as part of its oversight process;
 - iii. Audit opinion, other reports and recommendations from the Audit Committee;
 - iv. Information relating to compliance in terms of sections 128 and 133 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA);
 - v. Information in respect of any disciplinary action taken in terms of the MFMA where it relates to an item that is currently serving or has served before it;
 - vi. Any other audit report of the CWDM; and
 - vii. Performance information of the CWDM.
- d. Shall consider and evaluate the content of the Annual Report and to make recommendations to Council when adopting an oversight report on the Annual Report;
- e. In order to assist with the conclusion of matters that may not be finalized, information relating to past recommendations made on the Annual Report must also be reviewed, relating to current in-year reports, including the quarterly, mid-year and annual reports;

- f. Shall examine the financial statements and audit reports of the CWDM and in doing so, consider improvements from previous statements and reports and evaluate the extent to which the Audit Committee's and the Audit General's recommendations have been implemented;
- g. Shall promote good governance, transparency and accountability on the use of municipal resources;
- h. Shall recommend or undertake any investigation in its area of responsibility, after reviewing any investigation report already undertaken by the CWDM or the Audit Committee;
- i. Shall request the support of both the internal and external auditors in an advisory capacity when necessary;
- j. Shall conduct investigations into unauthorized, irregular and/or fruitless and wasteful expenditure in accordance with section 32(2)(a)(ii) of the MFMA and regulation 74 of the Municipal Budget and Reporting Regulations;
- k. Shall perform any other functions within its area of responsibility assigned to it through a resolution of Council.

4. OVERSIGHT REPORT

The Oversight Report is a separate product from the Annual Report. The Annual Report is submitted to the Council by the Accounting Officer and the Executive Mayor, and is part of the process for discharging accountability by the executive and administration for their performance in achieving objectives and goals set by the municipality in the financial year.

The Oversight Report is considered to be a report of the MPAC. After tabling the 2021/2022 Draft Annual Report on 26 January 2023, in line with Section 127(5) of the MFMA, Cape Winelands District Municipality (CWDM) allowed for public comments regarding the 2021/2022 Draft Annual Report from 26 January 2023 until 28 February 2023.

The draft Annual Report was made available on the municipal website and also to the six Municipal Offices (Stellenbosch, Worcester, Paarl, Ceres, Montagu and Robertson). In addition, the Draft Annual Report was made available to the following offices:

- The Office of the Auditor-General
- The Provincial Treasury
- The MEC for Local Government

The Accounting Officer (Municipal Manager) of Cape Winelands District Municipality attended the Council meeting on 26 January 2023 where the Annual Report was tabled. Furthermore, the Accounting Officer (Municipal Manager) attended the MPAC meeting on 14 March 2023 where the Oversight Report was discussed for recommendation to Council.

5. KEY COMMENTS AND RESPONSES

Circular 32 of the National Treasury recommends that the summary of key issues raised by the community, Auditor-General and other spheres of government, be detailed in the Oversight Report. In addition, the Circular proposed that responses to questions raised in written representations be captured in the Oversight Report. This section summarises the key questions and comments from the Auditor-General, the District Municipality's Audit Committee, the Council, as well as the responses by the District Municipality's Executive Management. No responses and/or comments were received by the closing date of 28 February 2023 at 12h00.

6. LEGAL AND CONSTITUTIONAL IMPLICATIONS

The 2021/2022 Annual Report and Oversight Report have been prepared in compliance with the provisions of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) and the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) (MFMA) and conform to the guidelines in Circulars issued by National Treasury.

7. COMMUNICATIONS IMPLICATIONS

The full text of the 2021/2022 Annual Report and Oversight Report will be distributed to the MEC: Local Government, Provincial Treasury, the Auditor-General and Provincial Legislature. The full text will also be published on the Cape Winelands District Municipality's website.

8. REMARKS

- Annual Report: Concerns were raised by MPAC as to why the prescripts of Circular 63 was not followed.
- Risk Management: MPAC regards a risk dashboard as important for Council and MPAC to execute its oversight function properly and would therefore like to see such dashboard as soon as possible.
- System of delegations: The MPAC notes severe shortcomings with regards to the current System of Delegations and would therefore like to see such a completed document as soon as possible.
- Rules of Order: To date, there has been no formal revision of the current Rules of Order and MPAC would therefore like to see such a completed document as soon as possible.

9. RECOMMENDATION: That -

- (a) Council, having considered the 2021/2022 Annual Report of the Cape Winelands District Municipality (CWDM), adopts the Oversight Report in terms of section 129 of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) (MFMA);
- (b) The minutes of the meetings where the Annual Report was discussed, in the presence of the Accounting Officer be submitted to the Auditor-General, the Provincial Treasury, and the Western Cape Department of Local Government, as attached to the report, in terms of Section 129(2) of the MFMA;
- (c) The 2021/2022 Annual Report of Cape Winelands District Municipality (CWDM) be approved without reservations, in terms of section 129 of the MFMA.

- (d) The 2021/2022 Oversight Report of Cape Winelands District Municipality be made public in terms of Section 129(3) of the MFMA and be submitted to the Western Cape Legislature in terms of Section 132(2) of the MFMA.

10. CONCLUSION

The Committee unanimously accepts that the 2021/2022 Annual Report of Cape Winelands District Municipality (CWDM) be approved without reservations, in terms of section 129 of the MFMA. Furthermore, I would like to commend the Municipality on its performance, especially the achievement of a clean audit as well as the improvement on deviations.

I would like to thank the members of the Oversight Committee and all officials who participated in the 2021/2022 Oversight Process for their time and cooperation. The process was successful and enabled the Committee to identify areas that will enable the Municipality to maintain its clean audit and to improve on areas identified. It was observed by the oversight committee that a spirit of improved cooperation by the administration was observed which we are extremely thankful for.

I am of the opinion that the 2021/2022 Annual Report accurately reflects the performance of the Municipality for the year under review and recommend that the Council approve the 2021/2022 Annual Report without reservations.

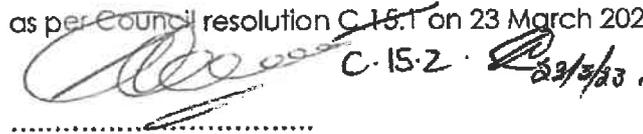


COUNCILLOR D.W. NEL

MPAC CHAIRPERSON

14 March 2023

I hereby confirm that Council has approved the Annual Report without reservations, as per Council resolution C.15.1 on 23 March 2023.



COUNCILLOR D.W. NEL

MPAC CHAIRPERSON

23 March 2023

CAPE WINELANDS DISTRICT MUNICIPALITY

MINUTES OF THE COUNCIL MEETING OF THE CAPE WINELANDS DISTRICT MUNICIPALITY HELD ON THURSDAY, 23 MARCH 2023 AT 10:00 IN THE COUNCIL CHAMBER, CAPE WINELANDS DISTRICT MUNICIPALITY, TRAPPES STREET, WORCESTER

PRESENT

(3/2/1/2)

COUNCILLORS

Ald. D.D. Joubert (Speaker)
Ald. (Dr.) H. von Schlicht (Executive Mayor)
Ald. M. Sampson (Executive Deputy Mayor)
Cllr. W.M. Blom
Cllr. M.N. Bushwana
Cllr. G.J. Carinus
Cllr. P. Daniels
Cllr. P.T. de Villiers
Cllr. A.J. du Plessis
Ald. R. Farao
Cllr. G.J. Fredericks
Ald. S. Goedeman
Cllr. E. Groenewald
Cllr. F. Jacobs
Cllr. D.B. Janse
Cllr. C.O. Klaaste
Cllr. J. Kriel
Cllr. J. Maliti
Cllr. C. Manuel
Cllr. X.L. Mdemka
Ald. C. Meyer
Cllr. T.R. Mpulanyana
Cllr. R.S. Nalumango
Cllr. D.W. Nel
Cllr. L. Ngwane
Cllr. A.J. Pedro
Cllr. W.C. Petersen
Cllr. N. Phatsoane
Cllr. A.M. Richards
Cllr. N.D. Sauerma
Cllr. J. Smit
Cllr. M. Smit
Cllr. D. Swart
Cllr. M. van Stade
Cllr. J.H.P. Steyn
Cllr. M.H. Yabo

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- (c) In future, a copy of the latest bi-annual report submitted to National Treasury, as well as the compliance notice received from National Treasury, be included in the agenda item submitted to Council.

RECOMMENDATION BY MAYORAL COMMITTEE: That –

- (a) Council consider the monthly Municipal Minimum Competency Levels Progress Report for February 2023;
- (b) In future, a copy of the latest bi-annual report submitted to National Treasury, as well as the compliance notice received from National Treasury, be included in the agenda item submitted to Council.

COUNCIL MEETING: 23 MARCH 2023: ITEM C.15.1

RESOLVED : (35 Councillors) That –

- (a) The monthly Municipal Minimum Competency Levels Progress Report for February 2023 be approved;
- (b) In future, a copy of the latest bi-annual report submitted to National Treasury, as well as the compliance notice received from National Treasury, be included in the agenda item submitted to Council.

C.15.2 DRAFT ANNUAL REPORT AND DRAFT OVERSIGHT REPORT FOR THE 2021/2022 FINANCIAL YEAR (3/2/5/5, 5/1/1/13 & 9/1/1)

PURPOSE OF SUBMISSION

That Council considers to approve the draft Annual Report as well as the draft Oversight Report for the 2021/2022 financial year without reservations.

BACKGROUND

The draft 2021/2022 Annual Report is tabled in terms of sections 121 and 127 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

The Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), section 121(2), states that the purpose of the draft Annual Report is to provide a record of activities of Council during the financial year, and to provide a report on the performance against the budget for the financial year and to promote accountability to the local community for the decisions made throughout the year.

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At Item C.15.9 of 26 January 2023 Council resolved that approval be granted for the draft 2021/2022 Annual Report to be made public for comment.

COMMENT

Included under separate cover in the agenda as Annexure "A" is a copy of the draft 2021/2022 Annual Report.

IMPLICATIONS

PERSONNEL

None.

Comment prepared by: Ms. G.C.N. Julie

FINANCIAL

The approval of the 2021/2022 Draft Annual Report and concomitant oversight report holds no financial implication.

Comment prepared by: Ms. F.A. du Raan-Groenewald

LEGAL

In terms of section 121(2) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) the purpose of the annual report is –

- (a) to provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates;
- (b) to provide a report on performance against the budget of the municipality or municipal entity for that financial year; and
- (c) to promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.

Annual reports must be aligned with the planning documents and municipal budget for the year reported on. This means that the IDP, Budget, SDBIP, In-year reports, annual performance report and annual report should have similar and consistent information to facilitate understanding and to enable the linkage between plans and actual performance.

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Annual reports are the key reporting instruments for municipalities to report against the performance targets and budgets outlined in their strategic plans. Annual reports are therefore required to contain information on service delivery and outcomes, in addition to financial statements. It is a backward-looking document, focusing on performance in the financial year that has just ended, and it must demonstrate how the budget was implemented and the results of service delivery operations for that financial year.

The annual report of municipalities is governed by Chapter 12 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003). In terms of section 127(2) of the said Act, the mayor of a municipality must, within seven (7) months after the end of the financial year, table the annual report of the municipality in the municipal council.

Section 127(3)(a) and (b) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) stipulates that if the mayor, for whatever reason is unable to table in the council the annual report of the municipality, the mayor must promptly submit to the council a written explanation setting out the reasons for the delay, together with any components of the report that are ready and submit to council the outstanding report or the outstanding components of the annual report as soon as possible.

The table below is a short summary of the Chapter 12 process:

| ACTION | DEADLINE |
|--|---------------------------|
| The Mayor must within 7 months after the end of the financial year table the draft Annual Report in Council. | 31 January 2023 |
| The Accounting Officer must publish the draft Annual Report. | Immediately after tabling |
| The Accounting Officer must invite submissions. | Immediately after tabling |
| The Accounting Officer must submit the draft Annual Report to the Auditor General, Provincial Treasury and the Provincial Department of Local Government. | Immediately after tabling |
| Council must deal with the draft Annual Report within 9 months after the end of the financial year. Part of this process includes the drafting of an oversight report. | 31 March 2023 |

In terms of section 121(3) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) the Annual Report must include-

- (a) the annual financial statements of the municipality, and in addition, if section 122(2) applies, consolidated annual financial statements, as submitted to the Auditor-General for audit in terms of section 126(1);

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- (b) the Auditor-General's audit report in terms of section 126(3) on those financial statements;
- (c) the annual performance report of the Municipality prepared in terms of section 46 of the Municipal Systems Act;
- (d) the Auditor-General's audit report in terms of section 45(b) of the Municipal Systems Act;
- (e) an assessment by the municipality's accounting officer of any arrears on municipal taxes and service charges;
- (f) an assessment by the municipality's accounting officer of the municipality's performance against the measurable performance objectives referred to in section 17(3)(b) for revenue collection from each revenue source and for each vote in the approved budget for the year;
- (g) particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d);
- (h) any explanations that may be necessary to clarify issues in connection with the financial statements;
- (i) any information as determined by the municipality;
- (j) any recommendations of the municipality's Audit Committee; and
- (k) any other information as may be prescribed.

In terms of section 130(1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) the meetings of a municipal council at which an annual report is to be discussed or at which decisions concerning an annual report are to be taken, must be open to the public and any organs of state.

According to MFMA Circular 32 dated 15 March 2006, the Annual Report is submitted to Council by the Accounting Officer and the Mayor and is part of the process for discharging accountability by the executive and administration for their performance in achieving the goals set by Council.

Comment prepared by: Ms. S.S. Sanders

RECOMMENDATION BY MUNICIPAL MANAGER:

That the members of the Municipal Public Accounts Committee (MPAC) consider to recommend to Council to –

- (a) Take cognisance of –
 - (i) The report on the draft 2021/2022 Annual Report by the Chairperson of the Audit and Performance Committee as contained in the draft Annual Report;
 - (ii) The report of the Auditor-General on the financial statements of the Cape Winelands District Municipality for the year ended 30 June 2022 as contained in the draft Annual Report;
- (b) Approve –
 - (i) The draft 2021/2022 Annual Report of the Cape Winelands District Municipality, attached as Annexure “A” to the agenda item;
 - (ii) The draft 2021/2022 Oversight Report, without reservations.

**MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC): 14 MARCH 2023:
ITEM MPAC.5.1**

RESOLVED:

That it be recommended to Council to –

- (a) Take cognisance of the –
 - (i) Report on the draft 2021/2022 Annual Report by the Chairperson of the Audit & Performance Committee as contained in the draft Annual Report;
 - (ii) Report of the Auditor-General on the financial statements of the Cape Winelands District Municipality for the year ended 30 June 2022 as contained in the draft Annual Report;
- (b) Approve –
 - (i) The draft 2021/2022 Annual Report of the Cape Winelands District Municipality included under separate cover as Annexure “A” to the agenda item;
 - (ii) The draft 2021/2022 Oversight Report, without reservations.

RECOMMENDATION BY THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

That Council consider to –

- (a) Take cognisance of the –
 - (i) Report on the draft 2021/2022 Annual Report by the Chairperson of the Audit & Performance Committee as contained in the draft Annual Report;
 - (ii) Report of the Auditor-General on the financial statements of the Cape Winelands District Municipality for the year ended 30 June 2022 as contained in the draft Annual Report;
- (b) Approve –
 - (i) The draft 2021/2022 Annual Report of the Cape Winelands District Municipality included under separate cover as Annexure “A” to the agenda item;
 - (ii) The draft 2021/2022 Oversight Report, without reservations.

COUNCIL MEETING: 23 MARCH 2023: ITEM C.15.2

RESOLVED : (33 Councillors) That –

- (a) Cognisance be taken of the –
 - (i) Report on the draft 2021/2022 Annual Report by the Chairperson of the Audit & Performance Committee as contained in the draft Annual Report;
 - (ii) Report of the Auditor-General on the financial statements of the Cape Winelands District Municipality for the year ended 30 June 2022 as contained in the draft Annual Report;
- (b) The following be approved:
 - (i) The draft 2021/2022 Annual Report of the Cape Winelands District Municipality included under separate cover as Annexure “A” to the agenda item;
 - (ii) The draft 2021/2022 Oversight Report, without reservations.

CAPE WINELANDS DISTRICT MUNICIPALITY
COUNCIL MEETING
THURSDAY, 23 MARCH AT 10:00
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GLOSSARY

| | |
|---|---|
| Accessibility indicators | Explore whether the intended beneficiaries are able to access services or outputs. |
| Accountability documents | Documents used by executive authorities to give <i>'full and regular'</i> reports on the matters under their control to parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and annual reports. |
| Activities | The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe <i>'what we do'</i> . |
| Adequacy indicators | The quantity of input or output relative to the need or demand. |
| Annual report | A report to be prepared and submitted annually based on the regulations set out in section 121 of the MFMA. Such report must include annual financial statements as submitted to and approved by the Auditor-General. |
| Approved budget | An approved budget means an annual budget that has been approved by Council and includes such annual budget as revised by an adjustment budget in terms of section 28 of the MFMA. |
| Baseline | Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period. |
| Basic municipal service | A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided, it may endanger public health and safety or the environment. |
| Budget year | The financial year for which an annual budget is to be approved – means a year ending on 30 June. |
| Cost indicators | The overall cost or expenditure of producing a specified quantity of outputs. |
| Distribution indicators | The distribution of capacity to deliver services. |
| Financial statements | Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed. |
| General key performance indicators | After consultation with MECs for local government, the minister may prescribe general key performance indicators that are appropriate and applicable to local government generally. |
| Impact | The results of achieving specific outcomes, such as reducing poverty and creating jobs. |
| Inputs | All the resources that contribute to the production and delivery of outputs. Inputs are <i>'what we use to do the work'</i> . They include finances, personnel, equipment and buildings. |
| Integrated Development Plan (IDP) | Sets out municipal goals and development plans. |
| National key performance areas | Service delivery and infrastructure; Economic development; Municipal transformation and institutional development; Financial viability and management; and Good governance and community participation. |

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|--|--|
| Outcomes | The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are ' <i>what we wish to achieve</i> '. |
| Outputs | The final products, or goods and services produced for delivery. Outputs may be defined as ' <i>what we produce or deliver</i> '. An output is a concrete achievement (i.e., a product such as a passport, an action such as a presentation or immunisation, or a service such as processing an application) that contributes to the achievement of a key result area. |
| Performance indicator | Indicators should be specified to measure performance in relation to input, activities, output, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered). |
| Performance information | Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure. |
| Performance standards | The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In the employee performance management and development system, performance standards are divided into indicators and the time factor. |
| Performance targets | The level of performance that municipalities and its employees strive to achieve. Performance targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period. |
| Service Delivery and Budget Implementation Plan | Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included. |
| Vote | <p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a 'vote' as:</p> <ul style="list-style-type: none"> (a) <i>one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i> (b) <i>which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.</i> |

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APPENDICES

APPENDIX A – COUNCILLORS’ COMMITTEE AND COUNCIL ATTENDANCE

1 JULY 2021 TO 30 NOVEMBER 2021

| COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE | | | | |
|--|--------------------------------|---|-------------------------------|---------------------------|
| Council Members | Full-time (FT)/ Part-time (PT) | Committees allocated | Ward and/or party represented | Council meetings attended |
| Cllr WM Blom | PT | Ambassador for Persons with Disabilities | DA | 2 |
| Cllr MN Bushwana | PT | None | ANC | 3 |
| Cllr GJ Carinus | FT | Mayoral Committee Local Labour Forum | DA | 2 |
| Ald A Crombie | PT | Local Labour Forum (Alternate) Municipal Public Accounts Committee | DA | 3 |
| Cllr C Damens | PT | None | DA | 3 |
| Cllr P Daniëls | PT | Municipal Public Accounts Committee (Alternate) | DA | 3 |
| Ald JJ du Plessis | FT | Mayoral Committee Annual Performance Evaluation Panel (Managers directly accountable to the Municipal Manager) | DA | 2 |
| Cllr R du Toit | PT | Municipal Public Accounts Committee Training Committee (Alternate) | DA | 3 |
| Cllr GJ Fredericks | PT | Municipal Public Accounts Committee | DA | 3 |
| Cllr A Florence | FT | Mayoral Committee | DA | 3 |
| Cllr DD Joubert Single Whip of Council | FT | Mayoral Committee Local Labour Forum (Alternate) | DA | 3 |
| Cllr X Kalipa | PT | Municipal Public Accounts Committee | DA | 3 |
| Cllr MT Klaas | PT | Municipal Public Accounts Committee Training Committee (Alternate) | EFF | 1 |

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| | | | | |
|---------------------------------------|----|--|-----|---|
| Cllr J Kriel | PT | None | DA | 3 |
| Ald L Landu | FT | Mayoral Committee Rules Committee | DA | 1 |
| Cllr SS Maggazana | PT | Municipal Public Accounts Committee | DA | 1 |
| Cllr ZL Masoka | PT | Municipal Public Accounts Committee | DA | 2 |
| Ald C Meyer (Speaker) | FT | Rules Committee | DA | 3 |
| Cllr JS Mouton | PT | Municipal Public Accounts Committee (Alternate) | ANC | 2 |
| Cllr RS Nalumango | PT | None | ANC | 1 |
| Cllr LW Niehaus | FT | Mayoral Committee | DA | 3 |
| Cllr BB Ntshingila | PT | Municipal Public Accounts Committee Rules Committee | ANC | 2 |
| Ald LN Qoba | PT | Municipal Public Accounts Committee | ANC | 2 |
| Cllr E Qhankqiso | PT | Municipal Public Accounts Committee (Alternate) | DA | 2 |
| Cllr PC Ramokhabi | FT | Mayoral Committee Training Committee Local Labour Forum | DA | 3 |
| Cllr SC Rens | PT | Municipal Public Accounts Committee (Alternate) | ANC | 2 |
| Cllr LS Sambokwe | PT | Local Labour Forum (Alternate) | ANC | 3 |
| Cllr ND Sauerman | PT | None | DA | 3 |
| Ald JW Schuurman | PT | Local Labour Forum | ANC | 3 |
| Cllr AJ Shibili | PT | None | ANC | 0 |
| Cllr J Smit | PT | None | DA | 2 |
| Cllr DRA Snyders | PT | Training Committee Rules Committee Municipal Public Accounts Committee (Alternate) | EFF | 3 |
| Cllr C Steyn | PT | Municipal Public Accounts Committee (Alternate) | DA | 3 |
| Cllr D Swart (Deputy Executive Mayor) | FT | Mayoral Committee | DA | 3 |
| Cllr N Tetana | PT | Municipal Public Accounts Committee (Alternate) | ANC | 0 |
| Cllr JJ van Rooyen | PT | Municipal Public Accounts Committee | ANC | 1 |
| Ald JDF van Zyl | FT | Mayoral Committee | DA | 2 |
| Cllr W Vrolick | PT | Municipal Public Accounts Committee (Alternate) | DA | 2 |

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|--|----|--|----|---|
| Ald (Dr) H von Schlicht (Executive Mayor) | FT | Mayoral Committee Annual Performance Evaluation Panel (Managers directly accountable to the Municipal Manager) | DA | 3 |
| Cllr. T.M. Wehr | PT | None | DA | 2 |
| Cllr CF Wilskut | PT | Rules Committee | BO | 1 |

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1 DECEMBER TO CURRENT

| COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE | | | | |
|--|-----------------------------------|--|-------------------------------|---------------------------|
| Council Members | Full-time (FT)/ Part-time (PT) | Committees allocated | Ward and/or party represented | Council meetings attended |
| Cllr EG Arendse | PT | Municipal Public Accounts Committee | GOOD | 7 |
| Cllr WM Blom | FT | Whip of Council Ambassador for Persons with Disabilities Rules Committee | DA | 8 |
| Cllr MN Bushwana | PT | None | ANC | 8 |
| Cllr GJ Carinus | FT | Mayoral Committee | DA | 8 |
| Cllr P Daniels | PT | None | DA | 4 |
| Cllr AJ du Plessis | PT | Local Labour Forum Rules Committee Paarl Museum Municipal Public Accounts Committee (Alternate) | FF+ | 8 |
| Ald R Farao | FT | Mayoral Committee Local Labour Forum Training Committee Worcester Museum | DA | 8 |
| Cllr GJ Fredericks | PT | Municipal Public Accounts Committee (Alternate) | DA | 6 |
| Ald S Goedeman | FT | Municipal Public Accounts Committee Local Labour Forum (Alternate) | DA | 8 |
| Cllr E Groenewald | FT | Mayoral Committee Training Committee Local Labour Forum | DA | 7 |
| Cllr V Hani | PT | Stellenbosch Museum | ANC | 7 |
| Cllr F Jacobs | PT | Training Committee (Alternate) Municipal Public Accounts Committee | DA | 8 |
| Cllr DB Janse | PT | Municipal Public Accounts Committee Robertson Museum | DA | 8 |
| Cllr JJS Januarie | PT | None | ANC | 8 |
| Cllr CO Klaaste | PT | None | ANC | 8 |

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| | | | | |
|--|----|---|-----|---|
| Ald DD Joubert (Speaker) | FT | Mayoral Committee Rules Committee | DA | 8 |
| Cllr J Kriel | PT | Municipal Public Accounts Committee | DA | 8 |
| Ald L Landu | PT | None | DA | 1 |
| Cllr MS Liebenberg | PT | Rules Committee Oude Kerk Volksmuseum van 't Land van Waveren (Tulbagh) | PA | 5 |
| Cllr J Maliti | PT | Local Labour Forum (Alternate) | ANC | 8 |
| Cllr C Manuel | PT | Huguenot Memorial Museum (Franschhoek) Municipal Public Accounts Committee | DA | 8 |
| Cllr XL Mdemka | FT | Mayoral Committee | DA | 8 |
| Ald C Meyer | FT | Mayoral Committee Rules Committee | DA | 8 |
| Cllr TR Mpulanyana | PT | Municipal Public Accounts Committee | ANC | 7 |
| Cllr RS Nalumango | PT | Municipal Public Accounts Committee (Alternate) | ANC | 6 |
| Cllr DW Nel | PT | Municipal Public Accounts Committee | FF+ | 8 |
| Cllr L Ngwane | PT | Local Labour Forum (Alternate) Rules Committee Togryers Museum (Ceres) | EFF | 8 |
| Cllr R Smuts | PT | Municipal Public Accounts Committee | DA | 8 |
| Cllr N Phatsoane | PT | None | ANC | 6 |
| Cllr WC Petersen | FT | Mayoral Committee | DA | 8 |
| Cllr AM Richards | PT | Municipal Public Accounts Committee (Alternate) | ANC | 8 |
| Ald M Sampson (Deputy Executive Mayor) | FT | Mayoral Committee | ANC | 8 |
| Cllr ND Sauerman | PT | Wellington Museum Municipal Public Accounts Committee (Alternate) | DA | 7 |
| Cllr J Smit | PT | Municipal Public Accounts Committee (Alternate) | DA | 6 |
| Cllr M Smit | PT | Montagu Museum Municipal Public Accounts Committee (Alternate) | EFF | 8 |
| Cllr R Smuts | PT | Municipal Public Accounts Committee | DA | 8 |
| Cllr JHP Steyn | FT | Mayoral Committee | DA | 8 |

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|--|----|---|------|---|
| Cllr D Swart | FT | Mayoral Committee | DA | 8 |
| Cllr M van Stade | PT | Local Labour Forum | GOOD | 7 |
| Ald (Dr) H von Schlicht (Executive Mayor) | FT | Mayoral Committee Annual Performance Evaluation Panel (Managers directly accountable to the Municipal Manager) | DA | 8 |
| Cllr CF Wilskut | PT | Rules Committee | BO | 5 |
| | | Training Committee (Alternate) | | |

APPENDIX B – COMMITTEES AND PURPOSES OF COMMITTEES

COMMITTEES (OTHER THAN MAYORAL / EXECUTIVE COMMITTEE) AND PURPOSES OF COMMITTEES

| Municipal Committees | Purpose of Committee |
|--|---|
| Annual Performance Evaluation Panel (Managers directly accountable to the Municipal Manager) | To evaluate the annual performance of the managers directly accountable to the Municipal Manager. |
| Rules Committee | To make recommendations to Council regarding matters affecting the procedures and policies of the municipal Council and its Councillors. |
| Training Committee | To develop the workforce in accordance with the National Skills Development Strategy of national government. |
| Local Labour Forum | To negotiate and/or consult regarding matters of mutual concern; such matters referred from time to time by Bargaining Council or its divisions; except matters reserved for bargaining in Bargaining Council Divisions. |
| Audit Committee | <p>Audit Committee is an independent advisory body that must –</p> <p>(a) advise the municipal Council, the political office-bearers, the Accounting Officer and the management staff of the district municipality on matters relating to –</p> <ul style="list-style-type: none"> (i) internal financial control and internal audits; (ii) risk management; (iii) accounting policies; (iv) the adequacy, reliability and accuracy of financial reporting and information; (v) performance management; (vi) effective governance; (vii) compliance with this Act, the annual Division of Revenue Act and any other applicable legislation; (viii) performance evaluation; and (ix) any other issues referred to it by the municipality or municipal entity; |

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| | <ul style="list-style-type: none"> (b) review the annual financial statements to provide the Council of the district municipality with an authoritative and credible view of the financial position of the municipality or municipal entity, its efficiency and effectiveness and its overall level of compliance with this Act, the annual Division of Revenue Act and any other applicable legislation; (c) respond to the Council on any issues raised by the Auditor-General in the audit report; (d) carry out such investigations into the financial affairs of the district municipality as the Council of the district municipality may request; and (e) perform such other functions as may be prescribed. |
| Municipal Public Accounts Committee (MPAC) | <p>The primary Terms of Reference of the MPAC, in addition to other relevant functions, are as follows:</p> <ul style="list-style-type: none"> (a) Shall not be responsible for policy formulation; (b) May engage directly with the public and consider public comments when received and will be entitled to request documents or evidence from the Accounting Officer; (c) Shall have permanent referral of documents as they become available relating to: <ul style="list-style-type: none"> (i) in-year reports of the CWDM; (ii) financial statements of the CWDM as part of its oversight process; (iii) audit opinion, other reports and recommendations from the Audit Committee; (iv) information relating to compliance in terms of sections 128 and 133 of the MFMA; (v) information in respect of any disciplinary action taken in terms of the MFMA where it relates to an item that is currently serving or has served before it; (vi) any other audit report of the CWDM; and (vii) performance information of the CWDM. (d) Shall consider and evaluate the content of the Annual Report and make recommendations to Council when adopting an oversight report on the Annual Report; (e) In order to assist with the conclusion of matters that may not be finalised, information relating to past recommendations made on the Annual Report must also be reviewed, relating to current in-year reports, including the quarterly, mid-year and annual reports; (f) Shall examine the financial statements and audit reports of the CWDM and in doing so, consider improvements from previous statements and reports and evaluate the extent to which the Audit Committee and the Auditor-General's recommendations have been implemented; (g) Shall promote good governance, transparency and accountability on the use of municipal resources; (h) Shall recommend or undertake any investigation in its area of responsibility after reviewing any investigation report already undertaken by the CWDM or the Audit Committee; (i) Shall request the support of both the internal and external auditors in an advisory capacity when necessary; |

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| | <ul style="list-style-type: none">(j) Shall conduct investigations into unauthorised, irregular and/or fruitless and wasteful expenditure in accordance with section 32(2)(a)(ii) of the MFMA and Regulation 74 of the Municipal Budget and Reporting Regulations, 2008;(k) Shall perform any other functions within its area of responsibility assigned to it through a resolution of Council. |
|--|--|

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APPENDIX C – SECOND AND/OR THIRD-TIER ADMINISTRATIVE STRUCTURE

| SECOND AND/OR THIRD-TIER STRUCTURE AS @ 30 JUNE 2022 | | |
|--|---|--------------|
| Directorate | Position | Name |
| Office of the Municipal Manager | Director: IDP, Performance and Risk Management | BT Daries |
| | Chief Audit Executive | S Green |
| | Deputy Director: Communication Services | EJ Otto |
| | Deputy Director: Legal Services | WM Neethling |
| Financial and Strategic Support Services | Director: Budget and Treasury Office | MJ Lesch |
| | Director: Human Resources | GCN Julie |
| | Director: Support Services | K Smit |
| Community Development and Planning Services | Deputy Director: Socio-Economic Development | RWB van Wyk |
| | Deputy Director: Town and Regional Planning | QJ Balie |
| | Chief Fire Officer | W Josias |
| | Head of Municipal Disaster Management Centre | SP Minnies |
| | Deputy Director: Municipal Health Services | RJ Humphreys |
| Technical Services | Director: Roads | H Maart |
| | Deputy Director: Project Management | C Swart |
| | Deputy Director: Facilities Management | TJ Solomon |
| | Deputy Director: Information Technology | AM Gabier |
| | Deputy Director: Regulation of Passenger Transport Services | CT Nkasela |

APPENDIX D – FUNCTIONS OF A DISTRICT MUNICIPALITY

In terms of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998):

FUNCTIONS AND POWERS OF MUNICIPALITIES (Sections 83-89)

83 General

- (1) A municipality has the functions and powers assigned to it in terms of Sections 156 and 229 of the Constitution.
- (2) The functions and powers referred to in Subsection (1) must be divided in the case of a district municipality and the local municipalities within the area of the district municipality, as set out in this Chapter.
- (3) A district municipality must seek to achieve the integrated, sustainable and equitable social and economic development of its area as a whole by –
 - (a) ensuring integrated development planning for the district as a whole;
 - (b) promoting bulk infrastructural development and services for the district as a whole;
 - (c) building the capacity of local municipalities in its area to perform their functions and exercise their powers where such capacity is lacking; and
 - (d) promoting the equitable distribution of resources between the local municipalities in its area to ensure appropriate levels of municipal services within the area.

84 Division of functions and powers between district and local municipalities

- (1) A district municipality has the following functions and powers:
 - (a) Integrated development planning for the district municipality as a whole, including a framework for integrated development plans of all municipalities in the area of the district municipality.
 - (b) Potable water supply systems.
 - (c) Bulk supply of electricity, which includes for the purposes of such supply the transmission, distribution and, where applicable, the generation of electricity.
 - (d) Domestic waste water and sewage disposal systems.
 - (e) Solid waste disposal sites, in so far as it relates to –
 - (i) the determination of a waste disposal strategy;
 - (ii) the regulation of waste disposal;
 - (iii) the establishment, operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities for more than one local municipality in the district.
 - (f) Municipal roads that form an integral part of a road transport system for the area of the district municipality as a whole.
 - (g) Regulation of passenger transport services.
 - (h) Municipal airports serving the area of the district municipality as a whole.
 - (i) Municipal health services.
 - (j) Firefighting services serving the area of the district municipality as a whole, which includes –
 - (i) planning, coordination and regulation of fire services;
 - (ii) specialised firefighting services such as mountain, veld and chemical fire services;
 - (iii) coordination of the standardisation of infrastructure, vehicles, equipment and procedures;
 - (iv) training of fire officers.
 - (k) The establishment, conduct and control of fresh produce markets and abattoirs serving the area of a major proportion of the municipalities in the district.

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- (l) The establishment, conduct and control of cemeteries and crematoria serving the area of a major proportion of municipalities in the district.
 - (m) Promotion of local tourism for the area of the district municipality.
 - (n) Municipal public works relating to any of the above functions or any other functions assigned to the district municipality.
 - (o) The receipt, allocation and, if applicable, the distribution of grants made to the district municipality.
 - (p) The imposition and collection of taxes, levies and duties as related to the above functions or as may be assigned to the district municipality in terms of national legislation.
- (2) A local municipality has the functions and powers referred to in section 83(1), excluding those functions and powers vested in terms of Subsection (1) of this section in the district municipality in whose area it falls.

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APPENDIX E – RECOMMENDATIONS OF THE MUNICIPAL AUDIT PERFORMANCE AND AUDIT COMMITTEE 2021/2022

| MUNICIPAL AUDIT AND PERFORMANCE COMMITTEE RECOMMENDATIONS | | |
|---|--|--|
| Date of committee meeting | Committee recommendations during the year | Comments |
| 30 July 2021 | Currency risks be included in future tender specifications as well as in the ICT report. | The Chief Financial Officer to ensure currency risks is included in tender specifications. |
| 24 May 2022 | ICT awareness campaign be conducted to inform personnel of cybercrime and possible risks to the ICT system. | The results of the cybercrime assessment report to be forwarded to the members of the Audit and Performance committee. |
| 24 May 2022 | A report be submitted to the Audit and Performance Committee regarding the effect of interest rates on the actuarial values of post-retirement benefits of personnel. | The report to be included in the quarterly financial report presented at the Audit and Performance committee meeting. |
| 24 May 2022 | That the CWDM utilise the Eunomia system to ensure compliance with legislation. | A presentation to be done at the Audit and Performance Committee meeting. |
| 23 June 2022 | <p>The following emerging risks be included in the Risk Register:</p> <ul style="list-style-type: none"> • Infrastructure Degradation • Day Zero - Water • Rising Inflation • Interest Rate Hikes • Closure of canning factory in Ashton • Fuel Usage by District Municipality | The risk register to be updated and monitored inclusive of the emerging risks. |

APPENDIX F – DISCLOSURES OF FINANCIAL INTERESTS

COUNCILLORS OF CAPE WINELANDS DISTRICT MUNICIPALITY

| | Title | Initials | Surname | Name | Employee # |
|----|----------|----------|--------------|-----------------------|-------------|
| 1 | Ald | C | Meyer | Clara | 20023 |
| 2 | Ald (Dr) | H | Von Schlicht | Helena | 20044 |
| 3 | Cllr | D | Swart | Dirk | 20074/20124 |
| 4 | Ald | WM | Blom | Willem Mathys | 20059/20095 |
| 5 | Cllr | NM | Bushwana | Margaret Nomantu | 20090/20096 |
| 6 | Cllr | GJ | Carinus | Gidion Jakobus | 20003 |
| 7 | Ald | A | Crombie | Ansaaf | 20067 |
| 8 | Cllr | C | Damens | Charles | 20005 |
| 9 | Cllr | P | Daniëls | Patric | 20080/20128 |
| 10 | Cllr | R | Du Toit | Rozette | 20071 |
| 11 | Cllr | GJ | Fredericks | Gerrit Jacobus | 20060 |
| 12 | Cllr | A | Florence | Achmat | 20069 |
| 13 | Ald | DD | Joubert | Donavan David | 20087 |
| 14 | Cllr | X | Kalipa | Xolile | 20018 |
| 15 | Cllr | MT | Klaas | Moses thembile | 20070 |
| 16 | Cllr | J | Kriel | Jacques | 20091 |
| 17 | Cllr | LW | Niehaus | Lodewyk Wilfred | 20068 |
| 18 | Cllr | BB | Ntshingila | Boy-Boy Bongani | 20058 |
| 19 | Cllr | E | Qhankqiso | Ernest | 20057 |
| 20 | Cllr | LN | Qoba | Lizzie Nobathembu | 20025 |
| 21 | Cllr | PC | Ramokhabi | Palema Cleopatra | 20073 |
| 22 | Cllr | SC | Rens | Samuel Colin | 20085 |
| 23 | Cllr | LS | Sambokwe | Ludia Sindiswa | 20083 |
| 24 | Cllr | ND | Sauerman | Nicolaas Daniel | 20089/20119 |
| 25 | Ald | JW | Schuurman | John Williams | 20066 |
| 26 | Cllr | DRA | Snyders | David Reginald Andrew | 20062 |

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| | Title | Initials | Surname | Name | Employee # |
|----|-------|----------|------------|-----------------------|-------------|
| 27 | Cllr | C | Steyn | Craig | 20056 |
| 28 | Ald | JDF | Van Zyl | Jacobus Daniel Fourie | 20075 |
| 29 | Cllr | W | Vrolick | Wilfred | 20077 |
| 30 | Cllr | JS | Mouton | Johnnerey Stephanie | 20033 |
| 31 | Cllr | RS | Nalumango | Ronalda Schivonne | 20079/20111 |
| 32 | Cllr | AJ | Shibili | Andile Joseph | 20081 |
| 33 | Cllr | N | Tetana | Nomalungisa | 20084 |
| 34 | Cllr | TM | Wehr | Torique Moegammad | 20092 |
| 35 | Cllr | CF | Wilskut | Colin Frederick | 20082/20126 |
| 36 | Ald | M | Sampson | Margaret | 20118 |
| 37 | Cllr | EG | Arendse | Edgar Gerades | 20094 |
| 38 | Cllr | AJ | Du Plessis | Adriaan Johannes | 20098 |
| 39 | Ald | R | Farao | Reginald | 20099 |
| 40 | Ald | S | Goedeman | Samuel | 20100 |
| 41 | Cllr | E | Groenewald | Esther | 20101 |
| 42 | Cllr | V | Hani | Vuylwe | 20102 |
| 43 | Cllr | JJS | Januarie | Jj Johannes Saolomon | 20105 |
| 44 | Cllr | F | Jacobs | Frances | 20103 |
| 45 | Cllr | DB | Janse | Dendeline Babava | 20104 |
| 46 | Cllr | CO | Klaaste | Claire Olivia | 20097 |
| 47 | Cllr | J | Kriel | Jacques | 20091 |
| 48 | Cllr | J | Maliti | Jacqueline | 20107 |
| 49 | Cllr | C | Manuel | Charles | 20108 |
| 50 | Cllr | XL | Mdemka | Xoliswa Leonorah | 20109 |
| 51 | Cllr | DW | Nel | Daniel Wilhelmus | 20112 |
| 52 | Cllr | L | Ngwane | Lulama | 20113 |
| 53 | Cllr | AJ | Pedro | Andre Jonathan | 20114 |
| 54 | Cllr | WC | Petersen | Wilhelmina Christina | 20116 |
| 55 | Cllr | N | Phatsoane | nonzame | 20115 |
| 56 | Cllr | AM | Richards | Abdul Moutie | 20117 |

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| | Title | Initials | Surname | Name | Employee # |
|----|--------------|-----------------|----------------|----------------------------------|-------------------|
| 57 | Cllr | M | Smit | Margaurite | 20121 |
| 58 | Ald | R | Smuts | Ran | 20122 |
| 59 | Cllr | JHP | Steyn | Jacobus Hermanus Phillipus | 20123 |
| 60 | Cllr | M | Van Stade | Marius | 20125 |
| 61 | Cllr | MH | Yabo | Mzwabantu Hector | 20127 |
| 62 | Cllr | GJ | Fredericks | Gerrit Jacobus | 20060 |
| 63 | Cllr | MS | Liebenberg | Mary Shiela | 20106 |
| 64 | Cllr | TR | Mpulanyana | Thuso Reginald | 20110 |

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Declarations in terms of the MFMA: Supply Chain Management Regulation 45. *Awards to close family members of persons in the service of the State.*

| Councillor's Name | Pay No. | Relation: Self / Parent / Spouse / Child /Other | Name and Position | Name of Entity and Registration Number | Address of Entity / Person | Date when business was established |
|-------------------------|---------|---|-------------------|--|----------------------------|------------------------------------|
| No submissions received | | | | | | |

Other aspects

SHARES AND SECURITIES IN ANY COMPANY

| Councillor Surname & Initials | Nature of financial interest | Number of shares or extent of financial interest | Estimated Value | Name of company | Registration number | Does it do business with the state? If YES, include the institution, value and transaction date |
|-------------------------------|------------------------------|--|-----------------|-----------------------|---------------------|---|
| Arangie CJM | | | | Sanlam | | |
| De Klerk G | Ordinary | | R18.300.00 | Exxaro Resources Ltd | | |
| | Shares | | R53.000.00 | Kumba Inn ore Limited | | |
| | | | R45.000.00 | Sanlam Limited | | |
| Neethling W | Quilter PLC | 121 | R3.442.00 | | | |
| | Old Mutual | 365 | R4.898.00 | | | |
| | Sanlam | 2358 | R5.926.00 | | | |
| | Brait | 2829 | R31.379.00 | | | |
| Rouw W | Ordinary shares | 1083 | R10.000.00 | First World Traders | | |
| Stols H | Retirement Annuity Fund | 173.05 | R15.588.00 | Allan Gray | | |
| Swanepoel J | | 36 | R1.148.00 | Woolworths | | No |
| | | 14 | R500.00 | Investec | | No |

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MEMBERSHIP OF ANY CLOSE CORPORATIONS

| Councillor's Name | Pay No. | Name of Close Corporation | Type of business | Registration number | Details of ownership (i.e. sole member of 50% share etc.) | Remuneration received from membership (per annum) | Does the CC do business with CWDM? | |
|-------------------|---------|-------------------------------------|------------------|---------------------|---|---|------------------------------------|----|
| | | | | | | | YES | NO |
| Du Plessis J J | 20003 | Moulin du Plessis cc | Fluting | 97/57511/23 | Sole | None | | |
| Klaas, Moses | 20070 | TMNS | N/A | N/A | N/A | NO | | |
| Kriel, Jacques | 20091 | Trio Kriel / BK | Boerdery | N/A | N/A | N/A | | |
| | | Kriel Landboudienste / BK | WORK | N/A | N/A | N/A | | |
| Landu, Linda | 20072 | Hamba Bhekile | N/A | N/A | 100 | | | |
| Schuurman, John | 20066 | Well earned trading 62 cc (dormant) | N/A | 2002/067593/23 | 100 | NONE | | |

INTEREST IN ANY TRUSTS

| Councillor's Name | Pay No. | Name of Trust | Nature of Interest |
|-------------------|---------|---------------------|--------------------|
| Carinus G J | 20003 | Propco trust | |
| | | Madre Carinus Trust | |

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INTEREST IN ANY TRUSTS

| Councillor's Name | Pay No. | Name of Trust | Nature of Interest |
|---------------------|---------|--------------------------|--------------------|
| Du Plessis, Jacobus | 20030 | Du Plessis Farm Trust | |
| | | Oude Tol Beleggingstrust | |
| Kriel, Jacques | 20091 | Jacques Kriel | |

DIRECTORSHIPS

| Councillor Surname & Initials | Name of registered company and trading name | Registration number | Type of business <i>(e.g. construction, consultancy, etc.)</i> | Does it do business with the State? | If YES, state income |
|-------------------------------|---|---------------------|---|-------------------------------------|------------------------------|
| Carinus, Gideon | Joretha Boerdery | 183 D | Rental Agriland | YES | Only a passive rental member |
| Joubert, Donovan | Shawusa | N/A | Trading union | NO | No income |
| Klaas, Moses | Amampondoge B.S | N/A | Electrically | NO | |
| Kriel, Jacques | Trio Kriel / BK | N/A | Boerdery | NO | |
| | Kriel Landboudienste / BK | N/A | WORK | NO | |
| Landu, Linda | Hamba Bhokile | N/A | N/A | N/A | |
| Mouton, Johnnerey | Homebase Trade 83 | N/A | N/A | NO | |
| Von Schlicht, Helena | N/A | Unknown | N90 | NO | Unknown |
| | N/A | Unknown | N91 | NO | Unknown |
| | N/A | Unknown | Economic | YES | Unknown |

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PARTNERSHIPS

| Councillor's Name | Pay No. | Name of company/ institution/ organisation | Type of business activity | Registration Number (Not applicable for non-owners) | Details of ownership (% of share- holding) or member- ship | Remuneration received from directorship/ membership (per annum) | Does the Organisation do business with CWDM? | |
|-------------------|---------|--|------------------------------|---|---|---|---|----|
| | | | | | | | YES | NO |
| Kriel, Jacques | 20091 | Wilkleei Boerdery | Landbou | N/A | 50 | R200.000.00 | | X |
| | | | | | | | | |
| | | | | | | | | |

OTHER FINANCIAL INTERESTS IN ANY BUSINESS UNDERTAKING

| Councillor's Name | Pay No. | Name of business undertaking | Type of business | Remuneration received from undertaking (per annum) | Does the undertaking do business with CWDM? | | Does the undertaking do business with CWDM's Vendors? | | Who is primary client? |
|-------------------|------------|------------------------------------|---------------------|---|---|----|---|----|---------------------------|
| | | | | | YES | NO | YES | NO | |
| | | | | | | | | | |
| | | | | | | | | | |

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INTEREST IN ANY PROPERTY

| Councillor's Name | Pay No. | Type/description of property (i.e. residential, flat, vacant land, industrial, commercial, etc.) | Area | Physical address or Erf # | Nature of interest (owner, landlord, lessor, etc.) | Is CWDM making use of property? | |
|----------------------|---------|--|--------------------------|---------------------------|--|---------------------------------|----|
| | | | | | | YES | NO |
| Carinus, G J | 20003 | Propco trust | Property houses for rent | Propco Trust no.7 | | | |
| Daniels, Patric | 20080 | Erven | House | 31st Avenue, Wolseley | | | |
| Joubert, Donovan | 20087 | House | N/A | 3 Packham | | | |
| | | House | N/A | 25 La Sagra | | | |
| Kriel, Jacques | 20091 | Mataqu | Farm | Derdeheuwel | | | x |
| Schuurman, John | 20066 | Plot | House | 34 Long Street | | | x |
| | | Plot | House | 32 Long Street | | | x |
| Von Schlicht, Helena | 20044 | House | 4-bedroom house | 9 Albertus Street | | | x |

EMPLOYMENT AND REMUNERATION

| Councillor's Name | Pay No. | Name of business | Type of business activity | Designation | Remuneration received for such employment | Approval of Council? | Does the organisation do business with CWDM? | |
|-------------------|---------|------------------|---------------------------|--------------|---|----------------------|--|----|
| | | | | | | | YES | NO |
| Dauids T | | Avon | Sales | Sales Leader | Commission | | | ✓ |

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PENSION

| Councillor's Name | Pay No. | Source of the pension (Pension Fund) | Value of the pension |
|-------------------|---------|--------------------------------------|----------------------|
| Du Plessis J J | 20030 | Sanlam | ± R2 000/ annum |
| Kriel, Jacques | 20091 | Sanlam | R 1 000,00 / month |
| | | | |

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SUBSIDIES, GRANTS AND SPONSORSHIPS BY ANY ORGANISATION

| Councillor's Name | Pay No. | Source of subsidy(s), grant(s) or sponsorship(s) | Description of subsidy(s), grant(s) or sponsorship(s) | Is assistance from a non-party source? | | Value of subsidy(s), grant(s) or sponsorship(s) (per annum) |
|-------------------|---------|--|---|--|----|---|
| | | | | YES | NO | |
| Joubert, Donovan | | Food | Unknown | ✓ | | Unknown |

3. DISCLOSURE OF BENEFITS

| Councillor's Name | Pay No. | Relationship | Associate | Third party that connects them |
|-------------------------|---------|--------------|-----------|--------------------------------|
| No submissions received | | | | |

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APPENDIX G (I) – REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

| REVENUE COLLECTION PERFORMANCE BY VOTE | | | | | | |
|--|------------------|------------------|------------------|------------------|--------------------|-------------------|
| Vote Description | 2020/2021 | 2021/2022 | | | 2021/2022 Variance | |
| | Actual | Original Budget | Adjusted Budget | Actual | Original Budget | Adjustment Budget |
| Budget And Treasury Office | - | - | - | - | #DIV/0! | #DIV/0! |
| Buildings: Maintenance | - 251.558.78 | - 244.000.00 | - 244.000.00 | - 250.204.55 | -3% | -3% |
| Disaster Management | - 2.134.550.00 | - 2.323.000.00 | - 2.617.601.00 | - 2.352.760.70 | -1% | 10% |
| Expenditure | - 236.433.716.38 | - 242.596.000.00 | - 242.596.000.00 | - 242.609.222.93 | 0% | 0% |
| Finance Management | - | 800.00 | 46.887.00 | 347.84 | 57% | 99% |
| Financial Management Grant | - 1.000.000.00 | - 1.000.000.00 | - 1.000.000.00 | 845.067.81 | 15% | 15% |
| Fire Services | - 194.644.46 | - 120.000.00 | - 1.166.000.00 | 182.762.47 | -52% | 84% |
| Human Resources Management | - 380.867.71 | - 584.800.00 | - 436.345.00 | 440.006.86 | 25% | -1% |
| IDP | - | - | 2.200.000.00 | 2.000.000.00 | #DIV/0! | 9% |
| Municipal Health Services | - 669.681.57 | - 653.000.00 | - 653.000.00 | 739.565.96 | -13% | -13% |
| Roads: Main Division/ Indirect | - 106.257.810.35 | - 119.655.000.00 | - 107.593.297.00 | 92.963.658.22 | 22% | 14% |
| Roads: Plant | - 213.557.85 | - 956.200.00 | - 162.145.00 | 51.136.60 | 95% | 68% |
| Procurement | - 765.24 | - 50.000.00 | - 50.000.00 | 1.052.21 | 98% | 98% |
| Projects and Housing | - 2.504.723.99 | - 5.442.190.00 | - 5.442.190.00 | 1.820.720.77 | 67% | 67% |
| Property Management | - | - | - | 840.000.00 | #DIV/0! | #DIV/0! |
| Public Transport Regulation | - 952.794.54 | - 900.000.00 | - 1.722.456.00 | 670.000.01 | 26% | 61% |
| Social Development | - 8.760.00 | - 76.000.00 | - 245.127.00 | 41.450.87 | 0% | 83% |
| Sundry Expenditure of the Council | - 50.468.757.99 | - 52.826.304.00 | - 54.000.292.00 | 54.305.422.54 | -3% | -1% |
| Tourism | - | - | - | - | #DIV/0! | #DIV/0! |

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APPENDIX G (II) – REVENUE COLLECTION PERFORMANCE BY SOURCE

| Revenue Collection Performance by Source | | | | | | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------|
| R' 000 | | | | | | |
| Details | 2020/2021 | 2021/2022 | | | 2021/2022 Variance | |
| | Actual | Approved Budget | Final Budget | Actual | Approved Budget | Final Budget |
| Property Rates | - | - | - | - | - | - |
| Property Rates - penalties and collection charges | - | - | - | - | - | - |
| Service charges - electricity revenue | - | - | - | - | - | - |
| Service charges - water revenue | - | - | - | - | - | - |
| Service charges - sanitation revenue | - | - | - | - | - | - |
| Service charges - refuse revenue | - | - | - | - | - | - |
| Rental of facilities and equipment | 238.615 | 240.000 | 240.000 | 229.048 | 5% | 5% |
| Interest earned - external investments | 38.231.810 | 41.000.000 | 41.000.000 | 41.969.387 | -2% | -2% |
| Licences and permits | 669.682 | 653.000 | 653.000 | 739.566 | - | - |
| Agency services | 106.246.825 | 107.443.297 | 107.443.297 | 92.961.808 | 13% | 13% |
| Transfers recognised - operational | 245.866.696 | 258.641.529 | 258.651.117 | 253.288.927 | 2% | 2% |
| Other income | 10.005.003 | 10.989.369 | 10.979.781 | 9.944.429 | 10% | 9% |
| Total Revenue | | | | | | |
| (excluding capital transfers and contributions) | 401.258.631 | 418.967.195 | 418.967.195 | 399.133.164 | 5% | 5% |
| Transfers recognised - capital | 213.558 | 1.208.145 | 1.208.145 | 980.217 | | |
| Total Revenue | 401.472.189 | 420.175.340 | 420.175.340 | 400.113.380 | | |

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APPENDIX H – CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

| CONDITIONAL GRANTS: EXCLUDING MIG | | | | | |
|--|------------------|-------------------|------------------|------------|--------------|
| R'000 | | | | | |
| Details | Original Budget | Final Budget | Actual | % Variance | |
| | | | | Budget | Final Budget |
| EPWP incentive | 1.413.000 | 1.413.000 | 1.313.000 | 7% | 7 |
| Local Government Financial Management Grant | 1.000.000 | 1.000.000 | 845.068 | 15% | 15% |
| Integrated Transport Plan | 900.000 | 1.722.456 | 670.000 | 26% | 61% |
| Rural Roads Asset Management System | 2.748.000 | 2.748.000 | 0 | 100% | 100% |
| Community Development Workers | 76.000 | 245.127 | 41.451 | 45% | 83% |
| Joint District & Metro Approach Grant | 0 | 2.000.000 | 2.000.000 | | 0% |
| Local Government Public Employment Support Grant | 0 | 200.000 | 0 | | 100% |
| Local Government Internship Grant | 0 | 101.545 | 55.545 | | 45% |
| Safety Plan Implementation - WOSA | 2.323.000 | 2.617.601 | 2.263.681 | 3% | 14% |
| WC Financial Management Capacity Building Grant | 250.000 | | | 100% | |
| Fire Services Capacity Building Grant | 0 | 1.046.000 | 0 | | 100% |
| Total | 8.710.000 | 13.093.729 | 7.188.744 | 17% | 45% |
| | | | | | TL |