



**CAPE WINELANDS DISTRICT**  
MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

# **ANNUAL REPORT**

## **2018/2019**

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**ABBREVIATIONS**

<b>Abbreviation</b>	<b>Description</b>
AEL	Atmosphere Emission Licenses
AIDS	Acquired Immune Deficiency Syndrome
AQMP	Air Quality Management Plan
AQO	Air Quality Officer
CSD	Central Supplier Database
CWBR	Cape Winelands Biosphere Reserve
CWDM	Cape Winelands District Municipality
CWDMC	Cape Winelands Disaster Management Centre
EPWP	Expanded Public Works Programme
ERM	Enterprise Risk Management
FARMCO	Fraud and Risk Management Committee
GRAP	Generally Recognised Accounting Practice
HIV	Human Immune Virus
IDP	Integrated Development Plan
KPI	Key Performance Indicators
MFMA	Municipal Financial Management Act, No 56 of 2003
MHS	Municipal Health Services
NEMA	National Environmental Management Act, No 107 of 1998
NGO	Non-Governmental Organisation
PGWC	Provincial Government Western Cape
SALGA	South African Local Government Association
SANS	South African National Standards
SDBIP	Service Delivery and Budget Implementation Plan
SMME	Small, Medium and Micro-sized Enterprise
SPLUMA	Spatial Planning Land Use Management Act, No 16 of 2013
WCG DCAS	Western Cape Government: Department of Cultural and Sport
WCG DEA&DPD:AQM	Western Cape Government: Department of Environmental Affairs
WCG DSD	Western Cape Government: Department of Social Development
WCG T&PW	Western Cape Government: Department of Transport and Public Works

# Map of Cape Winelands District



**CHAPTER 1****1.1 MAYOR'S FOREWORD**

I am truly excited to share with you the 2018/2019 Annual Report of the Cape Winelands District Municipality. This year in question has been one of many highlights – both on the service delivery as well as on the governance side.

As you are aware, the 2018/2019 financial year was a challenging one – rising cost of living, increasing unemployment, crime and other social ills, more and more damage to our beautiful earth and even more red tape – all makes it increasingly difficult for local government to run operations without delay and to reach the poorest of the poor. Nevertheless, we are mid-way through our term and have implemented the 2nd year of our 5-year Integrated Development Plan which continues to focus on:

Uplifting the poorest of the poor via social and economic development; and

Creating sustainable infrastructure services and a reliable transport system to enhance social and economic opportunities.

Key performance indicators and targets were assigned to each of the above-mentioned strategic objectives and these have been measured and monitored regularly, throughout the financial year. I am therefore delighted to draw your attention to the following achievements:

- Maintaining our Clean Audit status with our 6th unqualified audit without any material matters;
- 18 129 work opportunities were created for residents in our area through various projects of ours;
- More than 1300 fires in the past season were fought;
- 3 212Ha of alien vegetation was cleared;
- 82 Early Childhood Development centres supported through grant-in-aid as well as fire retardant paint;
- The maintenance of around 3 700kms of gravel and rural roads;
- 13 sports facilities have been delivered to communities throughout our area;
- 220 farm worker houses now have access to warm water through the installation of solar geysers; and
- Local Economic Development was stimulated through initiatives such as seed funding, small business development and mentorship – very good examples of these would be the Dine with the Locals initiative, the launch of the CWD into the international market via the Cape Winelands Routes and Events App (available free

of charge to all Android and Apple users) and the partnership formed with VINPRO that makes a business marketing tool kit available to all small wine destinations free of charge.

Of course, we would not be able to have achieved the above-mentioned without our partnerships with key stakeholders. Santam is a living example of this with the focus on risk reduction and the various safety initiatives currently underway. This also complements the current PGWC Vision Inspired Priority of Community Safety in many ways – all working together to ensure safer communities in the Cape Winelands District. WESGRO is another such example – working with the Cape Winelands District Municipality and the PGWC Department of Local Economic Development for the delivery of tourism promotion services to ensure optimum collaboration between tourism development and promotion.

In conclusion, we remain committed to implementing our approved 4<sup>th</sup> generation IDP through our vision, mission and strategic objectives and always strive to uplift the poorest of the poor.

I am honoured to lead this ship called Cape Winelands District Municipality. Thank you to the Municipal Manager, his leadership team and all officials - we were only able to deliver as per this annual report with the dedicated assistance of each and every official. A final thank you to my MAYCO and all other councillors at our organisation. As the Springboks recently showed us so well, hard work, team spirit and a solid dash of faith go a long way.

**Ald. (Dr) H von Schlicht**

**Executive Mayor**

## 1.2 MUNICIPAL MANAGER'S FOREWORD

What a year this has been and I am grateful to provide you with an overview of what the Cape Winelands District Municipality has achieved during the 2018/2019 financial year.

In terms of legislation, the Municipal Manager is designated as the Accounting Officer to inform you that this annual report has taken into consideration the requirements of MFMA circular 63 and reflect on the strategic intent as was adopted in the 2017/18-2021/22 Integrated Development Plan.

It is with pleasure that I can report to you that the Cape Winelands District Municipality has, once again, performed well and scored some notable achievements during the year in question; examples include:

- Maintaining our Clean Audit status with our 6<sup>th</sup> unqualified audit without any material matters;
- 84.5% of the approved capital budget was spent by the end of the financial year;
- A sound liquidity position of 18.5:1 was achieved at the end of the 2018/2019 financial year;
- 60 fire and other emergency officials trained by our fire academy;
- 98% of the approved training budget was spent on training of officials; and
- The target with regards to employment of employment equity official appointments in the 3 highest levels of management has been achieved.

In line with our mandate as per section 84 of the Municipal Systems Act, we expanded our firefighting fleet with the acquisition of various new vehicles. These vehicles will come in handy to fight the various wild/veld fires that threaten our beautiful area. Likewise, the Cape Winelands District Municipality donated some of our firefighting fleet to Breede Valley Municipality – also part of our mandate to build capacity in the local municipalities in our district. We also assist across the boundaries of our district – much needed water was transported to the drought-stricken Central Karoo via our fire fighting vehicles and fire-fighting assistance was provided when the devastating fires occurred in the Garden Route and Overberg areas.

A partnership for youth development and cultural exchange with the German international organisation KIEZ was established during this year under review. During July 2018 14 youth representatives from the Cape Winelands (specifically Breede Valley area) were accompanied by 2 Cape Winelands District Municipality officials and visited Quedlinburg in Germany for approximately 10 days; to successfully participate in the exchange program.

The achievement of our 6<sup>th</sup> consecutive unqualified audit opinion with no material matters came after a rather contentious year in the administration of the municipality – for various reasons. To me, this accomplishment not only indicates our steadfast commitment to clean governance as well as service delivery but it also clearly shows that teamwork is at the centre of everything we do. Of course, there is always room for improvement and we will focus on this in the new financial year and beyond.



A huge thank you to the executive management team and the officials of the municipality for your continued support towards the successful 2018/2019 financial year. In addition, I would like to thank the Executive Mayor, her Mayoral Committee, Councillors and the Performance & Audit Committee members for their continuous support and encouragement. Teamwork indeed makes the Dreamwork!

**Mr Henry Prins**



**Municipal Manager**

1.3 MUNICIPAL DEMOGRAPHICS - AN OVERVIEW


## Cape Winelands District: At a Glance

**Demographics** Population Estimates and Actual Services, 2018


 <p><b>Population</b></p> <h1 style="margin: 0;">926 698</h1>	 <p><b>Households</b></p> <h1 style="margin: 0;">236 006</h1>
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<b>Education</b> <span style="float: right;">2017</span>	<b>Poverty</b> <span style="float: right;">2017</span>										
 <table style="width: 100%;"> <tr> <td>Matric Pass Rate</td> <td style="text-align: right;">82.3%</td> </tr> <tr> <td>Learner-Teacher Ratio</td> <td style="text-align: right;">35.9</td> </tr> <tr> <td>Gr 12 Drop-out Rate</td> <td style="text-align: right;">28.6%</td> </tr> </table>	Matric Pass Rate	82.3%	Learner-Teacher Ratio	35.9	Gr 12 Drop-out Rate	28.6%	 <table style="width: 100%;"> <tr> <td>Gini Coefficient</td> <td style="text-align: right;">0.61</td> </tr> <tr> <td>Human Development Index</td> <td style="text-align: right;">0.71</td> </tr> </table>	Gini Coefficient	0.61	Human Development Index	0.71
Matric Pass Rate	82.3%										
Learner-Teacher Ratio	35.9										
Gr 12 Drop-out Rate	28.6%										
Gini Coefficient	0.61										
Human Development Index	0.71										

**Health** 2017/18


	<b>Primary Health Care Facilities</b>	<b>Immunisation Rate</b>	<b>Maternal Mortality Rate (per 100 000 live births)</b>	<b>Teenage Pregnancies - Delivery rate to women U/18</b>
	72	73.9%	0.0	13.4%

**Safety and Security** Actual number of reported cases in 2018

	<b>Residential Burglaries</b>	<b>DUI</b>	<b>Drug-related Crimes</b>	<b>Murder</b>	<b>Sexual Offences</b>
	5 820	875	16 008	353	970

**Access to Basic Service Delivery** Percentage of households with access to basic services, 2018

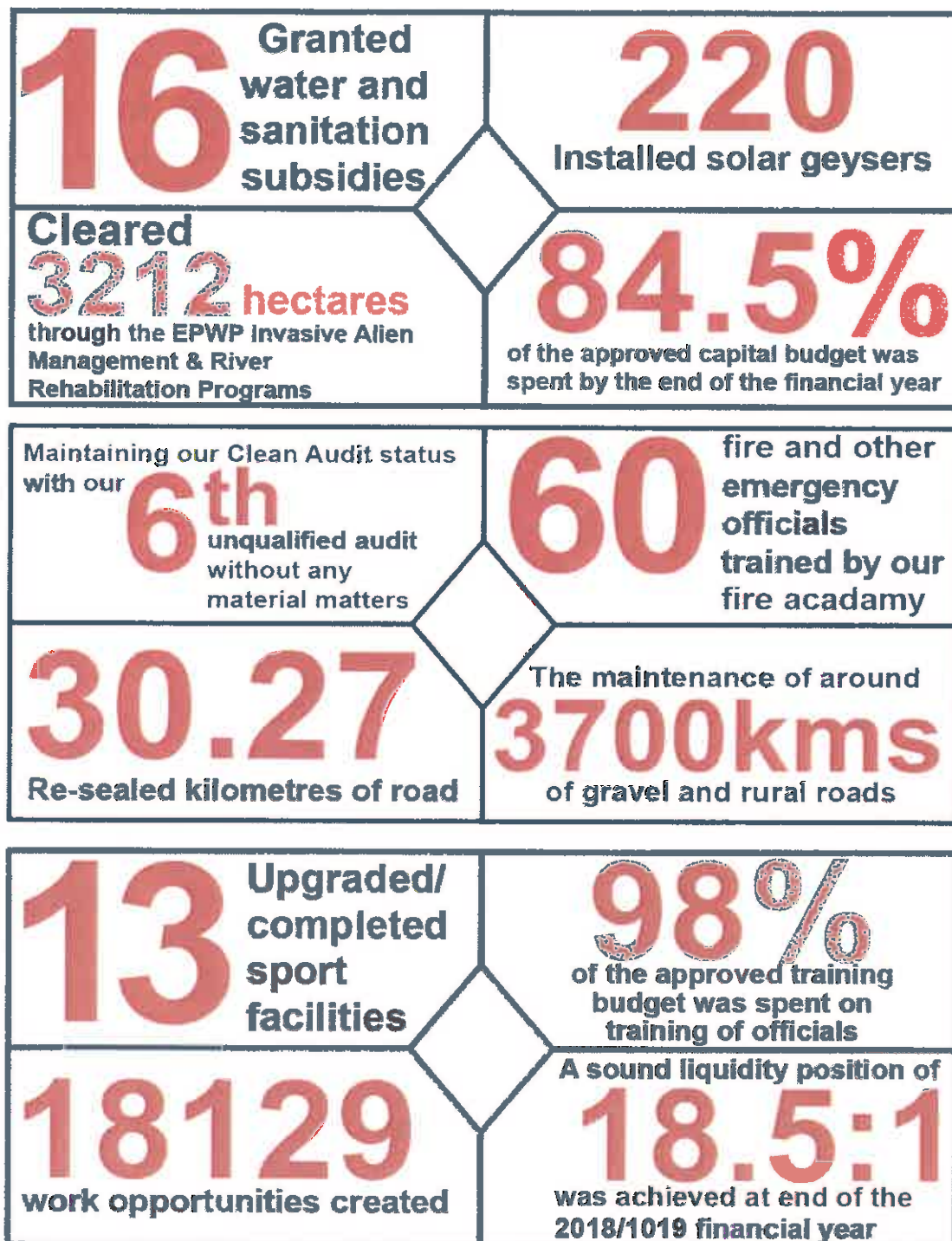
	<b>Water</b>	<b>Refuse Removal</b>	<b>Electricity</b>		<b>Sanitation</b>		<b>Housing</b>
	98.6%	81.8%	96.9%		92.6%		81.0%

<b>Road Safety</b> <span style="float: right;">2017</span>	<b>Labour</b> <span style="float: right;">2017</span>	<b>Socio-economic Risks</b>				
<table style="width: 100%;"> <tr> <td><b>Fatal Crashes</b></td> <td style="text-align: right;">210</td> </tr> <tr> <td><b>Road User Fatalities</b></td> <td style="text-align: right;">233</td> </tr> </table>	<b>Fatal Crashes</b>	210	<b>Road User Fatalities</b>	233	<p><b>Unemployment Rate</b></p> <p style="text-align: center;">10.7%</p> 	<ul style="list-style-type: none"> <li><b>Risk 1</b> Stagnating Economic Growth</li> <li><b>Risk 2</b> Increasing population &amp; demand for services</li> <li><b>Risk 3</b> Rising Unemployment</li> </ul>
<b>Fatal Crashes</b>	210					
<b>Road User Fatalities</b>	233					

**Largest 3 Sectors** Contribution to GDP, 2018

<p>Finance, insurance, real estate and business services</p> <h1 style="margin: 0;">20.9%</h1>	<p>Wholesale and retail trade, catering and accommodation</p> <h1 style="margin: 0;">15.8%</h1>	<p>Manufacturing</p> <h1 style="margin: 0;">14.9%</h1>
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1.4 HIGHLIGHTS FOR THE 2018/2019 FINANCIAL YEAR – SERVICE DELIVERY



## 1.5 MUNICIPAL OVERVIEW - FINANCIAL HEALTH

## FINANCIAL OVERVIEW

FINANCIAL OVERVIEW - 2018/2019			
R' 000			
Details	Original budget	Adjustment Budget	Actual
<b>Income</b>			
Grants	235 733	235 733	231 989
Taxes, levies and tariffs	0	0	0
Other	185 284	185 284	166 620
Sub-total	421 017	421 017	398 609
<b>Less Expenditure</b>	<b>419 052</b>	<b>418 101</b>	<b>346 808</b>
<b>Less (Loss)/Gain on Disposal of Assets and Liabilities</b>	<b>20</b>	<b>928</b>	<b>882</b>
<b>Less Inventories losses/write-downs</b>		<b>43</b>	<b>43</b>
<b>Net Total</b>	<b>1 945</b>	<b>1945</b>	<b>50 876</b>

## 1.6 MUNICIPAL OVERVIEW - ORGANISATIONAL DEVELOPMENT

Council approved a new organisational structure of the Cape Winelands District Municipality at item C.15.2 on 06 December 2018. The process to develop job descriptions for new approved posts has commenced. The job descriptions will firstly, be submitted to the Internal TASK Job Evaluation Committee who will establish whether the job descriptions meets the criteria as specified in the approved Internal TASK Job Evaluation policy, which was approved by Council at item C.15.1 on 06 December 2018. 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 be implemented 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 Cape Winelands District Municipality have approved job descriptions.

The Regional TASK Job Evaluation Unit which has been established under the leadership of the Cape Winelands District Municipality and which includes participating municipalities within the area of jurisdiction of the CWDM has evaluated a total of 1072 post during the period from 01 July 2018 to 30 June 2019, which were subsequently submitted to the SALGA Provincial Audit Committee.

During the 2016/2017 financial year the Division: Human Resources undertook a process to develop a Human Resource Management Strategy and Plan, which included:

- (a) A human resource audit which examined legislation, strategies, policies, procedures, documentation, structure, systems and practices with regard to the Cape Winelands District Municipality's human resource management and assessed the strengths, limitations and developmental needs of the existing human resources from the larger point of view of enhancing organisational performance and culture.
- (b) Alignment of the Human Resource Management Strategy and Plans to the strategic objectives of the Cape Winelands District Municipality as contained in the Integrated Development Plan in order to improve human resource service delivery.
- (c) Provision of strategic direction and measurements for innovation and sustainable people practices and establish a framework for an appropriate human resource structure, allocate tasks and monitor the development of human resources competence to deliver on the human resource strategic objectives.

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

During the 2018/2019 financial year, three (3) policies was approved in the Division: Human Resources, namely:

**1. Internal TASK Job Evaluation policy approved by Council at Item C.15.1 on 06 December 2018;**

The purpose of the internal TASK Job Evaluation policy is to:

- Implement the TASK Job Evaluation System within the Municipality to achieve uniform norms and standards in the description of similar jobs and their grading and to underpin job comparison;
- Provide for the necessary structures, institutional arrangements and procedures for the evaluation of jobs in the Municipality;
- Ensure a single job evaluation system is implemented;
- Monitor adequate implementation of the TASK Job Evaluation System in order to achieve uniform remuneration within the Municipality;
- Provide guidelines for job evaluations at the CWDM where circumstances result into combining certain responsibilities into one (1) job.


**2. Revised Telecoms and Cellular Phone Allowance policy approved by Council at Item C.15.1 on 31 January 2019;**

The purpose and objectives of this policy is to:

- Provide guidelines on the management of telephones, facsimile facilities, cellular phone allowances and/or vouchers, pool cellular phones, as well as electronic data allowances.
- Implement a uniform telecommunications policy (telephones, facsimile facilities, cellular phone allowances and/or vouchers, pool cellular phones as well as electronic data allowances for councilors and officials respectively.
- Provide fair criteria for the allocation of cellular phone allowances and/or vouchers, as well as pool cellular phones as well as electronic data allowances.
- Ensure the effective, efficient and economic usage of municipal telecommunication systems.
- Ensure the recovery of all costs for the unofficial (private) usage of telephones and facsimile facilities.
- Implement the necessary control measures and reduce costs.
- Ensure that only authorised persons use Cape Winelands District Municipality's telephones and facsimile facilities in the performance of their duties.
- Prevent the misuse of the above-mentioned facilities by councilors and officials of the Cape Winelands District Municipality.

**3. Bereavement policy approved by Council at Item C.15.1 on 25 April 2019;**

The purpose of the policy is to:

- Provide a framework and procedure for management of bereavement processes for a deceased employee.
  - Ensure a uniform, fair and consistent approach in dealing with the death of employees.
  - Provide a framework for the circumstances under which payments in respect of memorial services will be made.
- 

## CHAPTER 2 – GOVERNANCE

### COMPONENT A: INTRODUCTION TO GOVERNANCE

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

## POLITICAL GOVERNANCE

### INTRODUCTION TO POLITICAL GOVERNANCE

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

Section 79 Committees of the Cape Winelands District Municipality 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 Cape Winelands District Municipality as required by legislation:

- Training Committee; and
- Local Labour Forum.



### **MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)**

The Municipal Public Accounts Committee (MPAC) of the Cape Winelands District Municipality 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 die Cape Winelands District Municipality, other than the majority party.

The Municipal Public Accounts Committee (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 Cape Winelands District Municipality.

### **AUDIT COMMITTEE**

Section 166(1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), states that “each municipality and each municipal entity must have an audit committee” and section 166(4)(a) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) states that “an audit committee must consist of at least three persons with appropriate experience”. The Audit Committee of the Cape Winelands District Municipality is an independent advisory body and currently consists of four members from the private sector who have been appointed by Council. With reference to the Cape Winelands District Municipality 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 Committee also investigates matters within the scope of the committee’s duties, if referred to by Council.

Furthermore, the Audit 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



**Cllr D Swart**  
Deputy Executive Mayor  
Portfolio Holder:  
Agri Parks and co-ordinator of the Agri  
Committee



**Ald C Meyer**  
Speaker



**Cllr L Landu**  
Portfolio Holder:  
Advisor to the Executive Mayor



**Cllr PC Ramokhabi**  
Portfolio Holder:  
Rural & Social Development,  
Administrative Services and  
Human Resources



**Cllr LW Niehaus**  
Portfolio Holder:  
Disaster Management,  
Fire Services and Municipal Health  
Services



**Cllr GJ Carinus**  
Portfolio Holder:  
Technical Services



**Cllr A Florence**  
Portfolio Holder:  
Sport, Arts and Culture



**Cllr JJ du Plessis**  
Portfolio Holder:  
Local Economic Development, Spatial  
Planning, Environmental Management,  
Tourism and IDP



**Cllr JDF van Zyl**  
Portfolio Holder:  
Financial Services



**Cllr DD Joubert**  
Single Whip of Council

**COUNCILLORS****1 JULY 2018 TO 30 JUNE 2019**

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 2018 TO 30 JUNE 2019**

Number of Council resolutions:	116 (All resolutions implemented)
Number of Mayoral Committee resolutions:	Ordinary meetings – 87
Number of Mayoral Committee resolutions:	Confidential meetings – 29
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 2018/2019 financial year the Municipal Manager provided strategic and management leadership in various fields and projects.

Good governance has eight major characteristics (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, namely:

- 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; and
- 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 IDP forums and meetings. During the 2018/2019 financial year, all section 56 positions were filled. This has created a stable platform of management expertise which guides the District Municipality into a prosperous future. 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 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;
- The establishment, implementation and review of the Performance Management System;
- The monitoring and review of performance, including the outcomes and impact of such performance; and
- The 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), the Municipal Manager has implemented effective bidding structures to minimise the possibility of fraud and corruption and in terms of section 112(1)(m)(i) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003). 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 Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), 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 section 165(2)(a) and (b)(iv) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), ensured effective operation of the Internal Audit Unit. The said Internal Audit 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 Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) 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 Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) requires that municipalities publish key documents and information on their website, including the IDP, the annual budget, adjustment budgets and budget related documents and policies.

In terms of section 83(1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), 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 Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003). 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 Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), as well as 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 their Service Delivery and Budget Implementation Plan (SDBIP) in accordance with the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) and MFMA Circular 13. The SDBIP indicates performance targets, financial performance targets and assigns responsibility to execute the respective performance targets. The District Municipality has assessed its performance on a monthly basis and reported progress on performance against set targets to Council quarterly and ultimately presents the annual performance results in this Annual Report.

**TOP ADMINISTRATIVE STRUCTURE**



**HF Prins**  
Municipal Manager



**Mr CV Schroeder**  
Executive Director:  
Community Development and  
Planning Services



**Ms FA du Raan-Groenewald**  
Chief Financial Officer:  
Financial and Strategic Support  
Services



**Mr F van Eck**  
Executive Director:  
Technical Services

## COMPONENT B: INTER-GOVERNMENTAL RELATIONS

### INTRODUCTION TO COOPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Good cooperative governance and intergovernmental relations is important to the Cape Winelands District Municipality 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 area.

Public confidence in the Cape Winelands District Municipality 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 all 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 Cape Winelands District Municipality ensures that members of the public feel that 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 well-being.

## INTER-GOVERNMENTAL RELATIONS

### NATIONAL INTERGOVERNMENTAL STRUCTURES

The Cape Winelands District Municipality actively participates in national intergovernmental structures and takes part in the agenda-setting process to ensure participation.

In this regard there is both direct and indirect engagement on a political and senior management level with regard to the following structures:



President's Coordinating Council, National Municipal Managers' Forum, National IDP Managers' Forum, National LED Managers' Forum, the various SALGA National Working Groups, the National Public Participation Task Team and various structures.

Through this process and engagements, topics directly linked to the District Municipality and local municipalities in the area of the Cape Winelands District Municipality are elevated to a national level, which ensures greater coordination and participation.

### **PROVINCIAL INTERGOVERNMENTAL STRUCTURE**

The Cape Winelands District Municipality 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, the Chief Financial Officers' Forum, Provincial IDP and Communication Managers' Forum, Provincial LED Managers' Forum, the various SALGA Provincial Working Groups, the Provincial Public Participation Forum and others.

Through this process, all agenda settings and engagement matters relating to the Cape Winelands District Municipality and local municipalities in the area of the Cape Winelands District Municipality are elevated to a provincial level. This ensures that 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 Cape Winelands District Municipality and are driven by the District IDP focusing on common goals for the district in collaboration with local municipalities within the area of jurisdiction of the Cape Winelands District Municipality.

These common goals form part of the provincial and national KPI's 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), IDP Coordinating Committee, Multi-Sectoral Forum, District Safety Forum, Disaster Management Advisory Forum, IDP LED Managers' Forum incorporating public participation, District Internal Audit & Risk Forum and 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 area of jurisdiction of the District Municipality.

The benefits of sound intergovernmental relations at a district level ensure that problems are resolved to ensure a cost-effective service to the community and benefiting 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 that are situated in the municipal jurisdiction.

On 15 and 16 November 2018 in Worcester and Paarl respectively, CWDM together local municipalities held Sector Engagements with various organized structures, businesses and provincial sector departments.

On 11 and 15 April 2019 in Paarl and Worcester respectively, CWDM together with local municipalities held their IDP/Budget Consultation Meeting, guests included representatives from various registered organisations in the area.

The purpose of the above mentioned Public Participation meetings is to ensure that there is joint planning for the IDP of the Cape Winelands District, and local municipalities which then assists in strategy formulation for the region. It serves in a 'cleaning house' capacity for transversal issues of development and planning. The meetings affords municipalities, community organisations and provincial departments the opportunity to share and communicate information on their current activities and therefor facilitates inter-governmental planning and budgeting.

### PUBLIC MEETINGS

#### Communication, participation and forums

The Cape Winelands District Municipality and the the local municipalities in the district, Drakenstein, Stellenbosch, Breede Valley, Witzenberg and Langeberg Municipalities; Western Cape Government Local Government are devoted to building strong government institutions that actively promote sustainable and integrated community development.

The District Public Participation and Communications Forum (PPCOM) is a consultative forum aimed at increasing co-ordination, integration and communication between the three spheres of government through information sharing, dialogue, capacity building and consultation on matters of mutual interest.



**WARD COMMITTEES**

The Cape Winelands District Municipality does not have ward committees: ward committees are a function of local municipalities in the district. These committees do however provide valuable support in terms of organizing sectors and assisting with mobilization of citizens for public engagements, due to their innate knowledge of their communities; it is well known that ward committee members are valuable resources for information.

PUBLIC MEETINGS						
Nature of the Meeting	Date of the Event	Number of Participating Councillors	Number of Participating Municipal Administrators	Number of Participating Community Members	Issues Addressed (Yes/No)	Date and Manner of Feedback to Community
Cape Winelands District Municipality	15 -16 November 2018	11	9	91	Yes	Same day and some through correspondence
	11 and 15 April 2019	15	10	73		
Drakenstein Municipality	16/09/2018 to 07/10/2018	40	8	231	Yes	Same day and some through correspondence
	07/04/2019 to 03/05/2019	73	352	2392		
	15/05/2019	42	19	143		
Stellenbosch Municipality	09 – 31 October 2018	29	87	1156	Yes	Feedback is provided by departmental representatives at the specific ward meeting.  Formal written feedback is done on the written
	8 April 2019 – 2 May 2019	32	124	1013		

						submissions.
Witzenberg	06 – 20 November 2018	37	257	1388	Yes	Same day and some through correspondence
	08 - 18 April 2019	37	52	229		
Langeberg	No response received from Langeberg Municipality					
Breede Valley Municipality	9 October 2018 – 10 November 2018	20	65	371	Yes (as far as practically possible)	Same day and some through follow-up correspondence
	30 March 2019 – 11 April 2019	17	239	709		

**COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD**

The CWDM, during its IDP Stakeholder engagements and IDP/Budget Consultation meetings in November 2018 and April 2019, received a substantial number of verbal and written submissions regarding burning issues in the Cape Winelands area. Some of the inputs/issues received from these consultations fall within the mandate of a District Municipality, these were circulated to internal Executive Directors for input and comment. Issues which were not related to the ambit of CWDM's functions, were referred to relevant local municipalities, sector departments at Provincial Government Western Cape, CWDM's Ambassador for the Disabled and the Chairperson of the Cape Winelands District Health Council.

Feedback received from internal and external departments were presented to the Mayoral Committee and Council for consideration. Feedback was given to community members who raised these specific issues/concerns.

After the draft 2<sup>nd</sup> Review IDP and Budget were approved by the Council of the Cape Winelands District Municipality, the comments provided by stakeholders during the compulsory consultative phase, including an IDP/Budget hearing in April 2019, were considered by the Executive Mayor as prescribed by the Local Government: Municipal Systems Act. 2000 (Act No. 32 of 2000)

**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 to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to 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 Cape Winelands District Municipality closely monitors its business principles through policy guidelines, risk management and political oversight to ensure compliance, aiming to obtain a clean audit.

### RISK MANAGEMENT

Section 62 of the Local Government: Municipal Finance Management Act 2003 (Act No. 56 of 2003) 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, as well as the effective, efficient and economical use of the resources of the municipality.

The Enterprise Risk Management Framework (ERM) 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 Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003). 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, the Senior Manager: Internal Audit and one independent member not employed by the municipality.

During the 2018/2019 financial year, the unit was responsible for risk management awareness, facilitated quarterly reviews and updating of risk registers. Although the Deputy Director: Performance and Risk Management is responsible for risk management, management took ownership of risks and the mitigation thereof.

## **ANTI-CORRUPTION AND FRAUD**

### **Fraud and Anti-Corruption Strategy**

Section 83(c) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) refers to the implementation of effective bidding structures to minimise the possibility of fraud and corruption and the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), Section 112(1) (m)(i) identifies supply chain measures to be enforced to combat fraud and corruption, favouritism and unfair and irregular practices.

Section 115(1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (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 Cape Winelands District Municipality has adopted an attitude of zero tolerance for fraudulent and corrupt activities.

## **SUPPLY CHAIN MANAGEMENT**

### **Overview of Supply Chain Management**

Prescribed supply chain management processes and procedures as per the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), Sections 110 to 119 and the Supply Chain Management Regulations, 2005 are in place and maintained. Procurement plans are submitted by service departments to improve demand management. This enables and supports the SCM Unit to maintain and execute the municipality's demand plan which ultimately contributes to effective service delivery. The district municipality endeavours to maintain an effective supplier database to acquire the necessary goods and services, however, it is reliant on the cooperation of suppliers.

The implementation of the Central Supplier Database (CSD) of National Treasury has had a positive affect on suppliers'who are more responsive to the municipality's requests for information and documentation.

## **COMMENT ON BY-LAWS**

No new by-laws were promulgated.



## CHAPTER 3 - SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART 1)

**3.1..... Introduction****3.1.1 .....Predetermined Objectives (CWDM)**

The reflection of key performance indicators and performance targets in the Integrated Development Plan as compelled by Section 26(i) and Section 41(1)(a) of the Local Government Municipal Systems Act (No.32 of 2000) is aligned to the predetermined objectives as reflected in the approved 2017/2018 – 2021/22 Integrated Development Plan.

*The table below illustrates the alignment between the Strategic Objectives and the Predetermine Objectives as per approved Integrated Development Plan:*

Nr.	Strategic Objective	Nr.	Predetermined Objective
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 Municipal Health Service including Air Quality Management throughout the area of the Cape Winelands District Municipality.
		1.2	Ensure coordination of multi-disciplinary 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 specialized fire-fighting services throughout the area of the Cape Winelands District Municipality.
		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

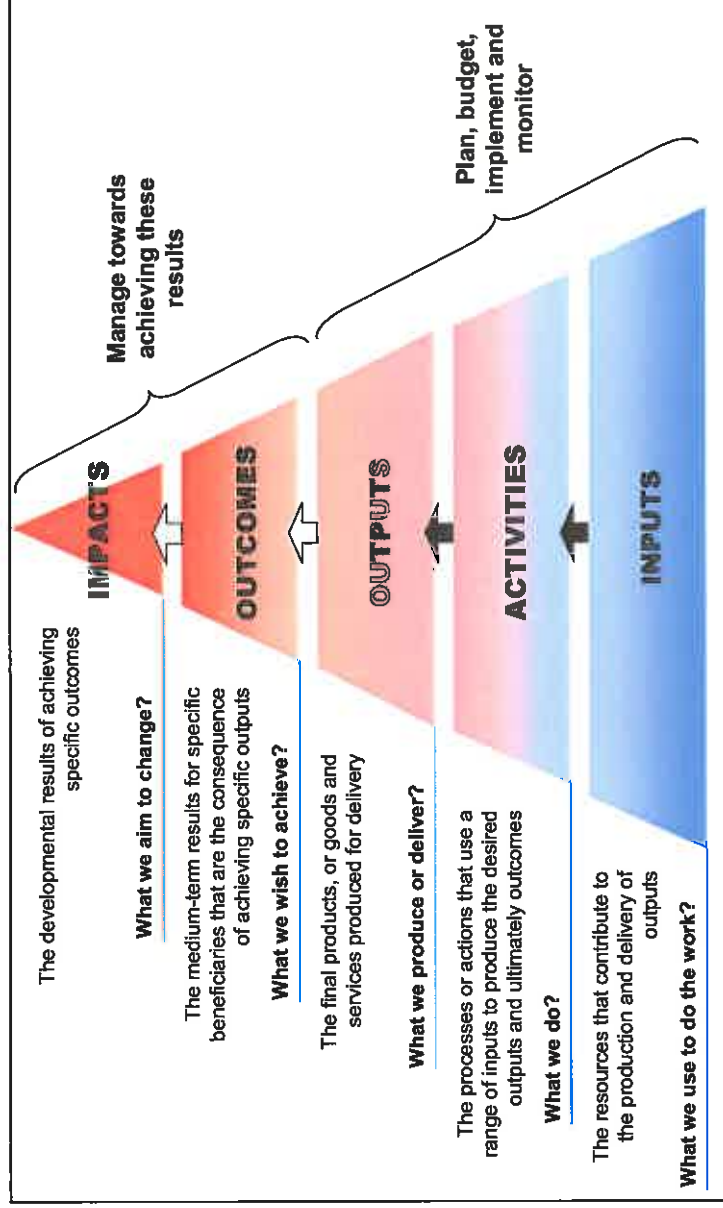
Nr.	Strategic Objective	Nr.	Predetermined Objective
			knowledgement.
2.	Promoting sustainable infrastructure services and a transport system which fosters social and economic opportunities.	1.5	To facilitate, ensure and monitor the development and empowerment of the poor by graduating people out of poverty, social inclusion and improving the livelihood of the poor, vulnerable groups, rural farm dwellers and rural communities.
		2.1	To comply with the administrative and financial conditions of the Western Cape Government roads agency function agreement.
		2.2	To implement sustainable infrastructure services throughout the area of the Cape Winelands District Municipality.
		2.3	To increase levels of mobility throughout the area of the Cape Winelands District Municipality.
		2.4	To improve infrastructure services for rural dwellers throughout the area of the Cape Winelands District Municipality.
		2.5	To implement an effective ICT support system.
3.	Providing effective and efficient financial and strategic support services to the Cape Winelands District Municipality.	3.1	To facilitate and enhance sound financial support services.
		3.2	To strengthen and promote participative and accountable 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 outcomes and impacts it needs to be kept in mind that government interventions can also have unintended consequences. These also need to be identified and monitored so that risks can be managed and corrective action can be taken.

In managing for results, budgets are developed in relation to inputs, activities and outputs, while the aim is to manage towards achieving the outcomes and impacts.

The figure below illustrates the relationship between these core performance information concepts.



### 3.1.3 .....Planning, Budgeting and Reporting

The performance information reported in accountability documents enables Council and the public to track government performance, and to hold it accountable.

Performance information also needs to be available to managers 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 emphasises planning and managing a focus on desired results, and managing inputs and activities to achieve these results.

## 3.1.4 Financial Performance per Strategic Objective

Operating Budget					
SO	2017/2018 Budget	2017/2018 Actual	2018/2019 Budget	2018/2019 Actual	2019/2020 Budget
1	R 147 971 359	R 138 452 509	R 136 928 051	R 127 257 412	R 147 771 628
2	R 159 279 764	R 138 520 381	R 172 679 582	R 143 310 888	R 173 128 416
3	R 94 597 209	R 84 230 532	R 109 464 481	R 77 164 502	R 122 905 016
<b>Total</b>	<b>R 401 848 332</b>	<b>R 361 203 422</b>	<b>R 419 072 114</b>	<b>R 347 732 802</b>	<b>R 443 805 060</b>

Capital Budget					
SO	2017/2018 Budget	2017/2018 Actual	2018/2019 Budget	2018/2019 Actual	2019/2020 Budget
1	R 9 643 350	R 9 150 237	R 6 199 494	R 5 917 958	R 15 897 596
2	R 7 321 930	R 5 796 598	R 8 260 395	R 6 428 611	R 24 591 900
3	R 3 354 890	R 3 322 922	R 2 353 071	R 1 901 636	R 2 160 700
<b>Total</b>	<b>R 20 320 170</b>	<b>R 18 269 757</b>	<b>R 16 812 960</b>	<b>R 14 248 205</b>	<b>R 42 650 195</b>

Project Budget					
SO	2017/2018 Budget	2017/2018 Actual	2018/2019 Budget	2018/2019 Actual	2019/2020 Budget
1	R 18 192 538	R 16 867 916	R 17 430 497	R 16 546 233	R 14 367 487
2	R 13 725 000	R 12 043 908	R 8 632 388	R 7 232 659	R 8 370 000
3					
<b>Total</b>	<b>R 31 917 538</b>	<b>R 28 911 824</b>	<b>R 26 062 885</b>	<b>R 23 776 892</b>	<b>R 22 757 487</b>

## Summary of Cape Winelands Organisational Key Performance Indicators:

## 2017/2018

SO	Original Number of KPIs	Adjusted Number of KPIs	Zero Performance	Under Performance <100%	Achieved and over achieved	Delivery as a Percentage 2017/2018
1	6	6	0	0	6	100%
2	5	4	0	1	3	75%
3	7	7	0	0	7	100%
<b>Total</b>	<b>18</b>	<b>17</b>	<b>0</b>	<b>1</b>	<b>16</b>	<b>94%</b>

## 2018/2019

SO	Original Number of KPIs	Adjusted Number of KPIs	Zero Performance	Under Performance <100%	Achieved and over achieved	Delivery as a Percentage 2018/2019
1	13	13	0	1	12	92%
2	12	11	0	2	9	82%
3	14	14	1	2	11	79%
<b>Total</b>	<b>39</b>	<b>38</b>	<b>1</b>	<b>5</b>	<b>32</b>	<b>84%</b>

### 3.1.5 .....Cape Winelands District Organisational Key Performance Indicators

The Organisational Key Performance Indicators (KPI) have been revised during February 2019 and the following corrections/improvements were made:

- Amended quarterly performance targets, to align with adjusted budget figures (where applicable)
- One KPI (2.2.1.1) was removed during adjustment budget.

### 3.1.6 ..... The Cape Winelands District Detailed Organisational Key Performance Indicators

Over Performance	>100%
Target Achieved	100%
Target Almost Achieved	80% to 99%
Under Performance	1% to 79%
Zero Performance	0%

STRATEGIC OBJECTIVE 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.							
CWD M PDO	PO #	Outcome Indicator	KP  #	Key Performance Indicator	2017/2018	2018/2019 Annual Target and Performance	
					Target	Annual Target and Annual Actual	Comments
1.1	1.1.1	To administer an effective ENVIRONMENTAL HEALTH MANAGEMENT SYSTEM, in order to achieve all environmental health objectives set.	1.1.1.1	Monthly Report to PGWC on all MHS matters by the 15th of the following month (Sinjani report).	-	12	Annual target achieved.
		To administer an effective ENVIRONMENTAL HEALTH MANAGEMENT SYSTEM, in order to achieve all environmental health objectives.		Monthly report (Sinjani report) to WCG on all MHS matters by the 15th of each following month.	12	-	
	1.1.2	To ensure effective ENVIRONMENTAL POLLUTION CONTROL via the identification, evaluation, monitoring and prevention of the pollution of soil, water and air, in as far as it relates to health; and to institute remedial action accordance with Regulation 37 of the CWDM Municipal Health By-Law.	1.1.2.1	Review of Air Quality Management Plan (AQMP), submitted to Council for approval.	1	-	





1.3	1.3.1	Effective planning and co-ordination of specialized firefighting services in the CWDM.	1.3.1.1	Review the effectiveness of the firefighting coordination structures within the Cape Winelands District and report back to the Executive Mayor.	1	1	-	-	Annual target achieved.
	1.3.1	Effective planning and co-ordination of specialized firefighting services.	1.3.1.1	Pre - and post fire season reports, submitted to Council for approval.			2	2	Underachievement Even though more officials than the target were trained in total, only 54 fire officials formed part of the training.
	1.3.2	Build fire-fighting capacity.	1.3.2.1	Number of fire officials trained by the CWDM Fire Services Academy.			60	54	The Cape Winelands District Municipality is dependent on the applications received for this training.  Where possible, in future, the target will be adjusted at the Adjustment Budget.

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1.3.3	1.3.3	To ensure an effective fire services division in order to achieve all fire services objectives set - Fire Prevention	1.3.3.1	Area in hectares of fire breaks created during the financial year.	-	-	30	36 99	<u>Overachievement:</u> More fire breaks could be created due to effective bidding process.
		To fulfil a coordination role in terms of town and regional planning within the District.		Initiate the review of the CWDM Spatial Development Framework (SDF) and report back to Council.	1	1	-	-	
1.4.1	1.4.1	To fulfil a coordination role in terms of town and regional planning within the Cape Winelands District.	1.4.1.1	Review of Cape Winelands District Municipality (CWDM) Spatial Development Framework (SDF), submitted to Council for approval.	-	-	1	1	Annual target achieved.
		To ensure effective environmental management in order to achieve all objectives set.	1.4.2.1	Number of hectares cleared through the EPWP Invasive Alien Management & River Rehabilitation Programs	-	-	1 800	3 212.68	<u>Overachievement:</u> The bulk of the sites cleared were follow-up sites that are normally less dense and very large in extent.
1.4.2		To fulfil a coordination role in terms of Economic and Tourism Development within the District.	1.4.2.2	Review the CWDM Local Economic & Social Development Strategy and report back to Executive Mayor.	1	1	-	-	



STRATEGIC OBJECTIVE 2 - Promoting sustainable infrastructure services and a transport system which fosters social and economic opportunities.								
CWDM PDO #	Outcome Indicator	KPI #	Key Performance Indicator	2017/2018	2018/2019 Annual Target and Performance			
				Target	2017/2018 Actual	Annual Target	Annual Actual	Comments
2.1	Support the maintenance of proclaimed roads in the district on an agency basis for the provincial roads authority.	2.1.1.1	Conclude the annual MoA or addendum to the annual MoA with PGWC.	-	-	1	1	Annual target achieved
			Conclude the annual memorandum of agreement with the WCG.	1	1	-	-	
		2.1.1.2	Kilometres of roads re-sealed.	-	-	25	30 27	<u>Overachievement:</u> The final reseat projects to be completed for Province were not finalized when the performance for Council's financial year had to be submitted resulted in more projects approved and linked to the provincial financial year as originally estimated.
		2.1.1.3	Kilometres of roads bladed.	-	-	5 000	5 022 92	<u>Overachievement:</u> Blading of the provincial gravel road network is depended on the weather and a

STRATEGIC OBJECTIVE 2 - Promoting sustainable infrastructure services and a transport system which fosters social and economic opportunities.						
CWDM PDO #	PO #	Outcome Indicator	KPI #	Key Performance Indicator	2017/2018	2018/2019 Annual Target and Performance
					2017/2018 Target	2017/2018 Actual
						<p>function of the properties of the gravel present and the thickness of the gravel left on the road surfaces. The over achievement therefore was linked to more requests from road users to include more roads in the blading cycle or to revisit roads bladed before a wet period.</p>
			2.1.1.4	Kilometres of roads re-gravelled.	-	<p><u>Underachievement:</u></p> <p>Re-gravel projects completion delayed due to resource challenges.</p> <p>The department is in the process of appointing officials in the vacant positions. In addition, tenders for the supply of regravelling material were awarded for a period ending June 2022.</p>

STRATEGIC OBJECTIVE 2 - Promoting sustainable infrastructure services and a transport system which fosters social and economic opportunities.										
CWDM PDO	PO #	Outcome Indicator	KPI #	Key Performance Indicator	2017/2018 Target	2017/2018 Actual	2018/2019 Annual Target and Performance			
							Annual Target	Annual Actual	Comments	
2.2	2.2.1	Enhance the planning of infrastructure services in the district.	2.2.1.1	Complete the 4th generation Integrated Waste Management Plan and submit to Council for approval.	-	-	-	-	This will alleviate the lack of resources and will enable the department to reach set targets.	
				2.2.1.2	Initiate the compilation of the 4th generation Integrated Waste Management Plan and report back to the Executive Mayor.	1	1	-	No target, KPI amended at Adjustment Budget.	
2.3	2.3.1	Improved pedestrian safety throughout the Cape Winelands District.	2.3.1.1	Review the District Integrated Transport Plan and submit to Council for approval.	-	-	-	-		
				2.3.1.1	Review District Integrated Transport Plan and submit to Council for approval.	-	-	1	-	Annual target achieved.
				2.3.1.2	Number of sidewalks and/or embayments and/or bus shelters completed/upgraded.	-	-	23	23	Annual target achieved.

STRATEGIC OBJECTIVE 2 - Promoting sustainable infrastructure services and a transport system which fosters social and economic opportunities.									
CWDM PDO #	Outcome Indicator	KPI #	Key Performance Indicator	2018/2019 Annual Target and Performance			Comments		
				2017/2018 Target	2017/2018 Actual	Annual Target		Annual Actual	
2.4	To improve infrastructure services for rural dwellers throughout the area of the Cape Winelands District Municipality.	2.4.1	2.4.1.1	% of project budget spent on rural projects (Clearing road reserves, provision of water & sanitation to schools, renewable infrastructure and upgrade rural sport facilities).	95%	80.52%	95%	94.21%	<p><u>Underachievement:</u></p> <p>Savings were realised due to lower contingencies. Lower fuel prices and administrative challenges also contributed to this underachievement.</p> <p>Planning and applicable adjustment budget processes will be improved</p>
		2.4.2	2.4.2.1	Number of schools assisted with ablution facilities and/or water supply.	-	-	27	25	<p><u>Underachievement:</u></p> <p>Number reported was not aligned to the Standard Operating Description.</p> <p>Going forward, improved alignment will be achieved through more reviews.</p>



STRATEGIC OBJECTIVE 2 - Promoting sustainable infrastructure services and a transport system which fosters social and economic opportunities.									
CWDM PDO	PO #	Outcome Indicator	KPI #	Key Performance Indicator	2017/2018 Target	2017/2018 Actual	2018/2019 Annual Target and Performance		
							Annual Target	Annual Actual	Comments
			2.4.2.2	Number of solar geysers installed.	-	-	200	220	<u>Overachievement:</u> More landowners took up subsidies than expected.
			2.4.2.3	Number of sport facilities upgraded/completed.	-	-	12	13	<u>Overachievement:</u> An additional sport facility could be assisted with funds available.
2.5	2.5.1	To improve ICT governance in the Cape Winelands District Municipality.	2.5.1.1	Review the ICT Governance Framework, submitted to Council for approval.			1	1	Annual target achieved.
		Improving ICT support.	2.5.1.1	Review of the ICT Governance Framework and submitted to Council for approval.	1	1	-	-	

STRATEGIC OBJECTIVE 3 - Providing effective and efficient financial and strategic support services to the Cape Winelands District Municipality.									
CWDM PDO #	Outcome Indicator	KPI #	Key Performance Indicator	2017/2018 Target	2017/2018 Actual	2018/2019 Annual Target and Performance			Comments
						Annual Target	Annual Actual		
3.1	3.1.1 Credible Budget.		Compilation of a credible budget and submitted to council by end May.	1	1	-	-	-	
	To ensure that a budget is available before the start of the financial year.	3.1.1.1	Compilation of a budget and submitted to Council by 31 May.	-	-	1	1	1	Annual target achieved.
	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	Annual target achieved.
	Transparent and accountable reporting to all stakeholders.	3.1.2.1	Compilation of a mid-year assessment (section 72) report and submitted to Council.	1	1	-	-	-	
3.1.3	Fair, Equitable, Transparent, Competitive and cost-effective SCM Policy and Regulatory Framework.	3.1.3.1	Submit to Council a report on the implementation of Supply Chain Management (within 30 days after year-end).	1	1	-	-	-	
	Fair, equitable, transparent, competitive and cost-effective SCM practices.								
3.1.4	To ensure 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	18.5:1	1	Overachievement: The Municipality's

STRATEGIC OBJECTIVE 3 - Providing effective and efficient financial and strategic support services to the Cape Winelands District Municipality.							
CWDM PDO	PO #	Outcome Indicator	KPI/#	Key Performance Indicator	2017/2018	2018/2019 Annual Target and Performance	
					2017/2018 Target	Annual Target	Annual Actual
							cash and cash equivalents increased during the year due to anticipated expenditure being lower than anticipated. This had a direct impact on the investments, resulting in an increase in interest earned. The current liabilities also decreased

STRATEGIC OBJECTIVE 3 - Providing effective and efficient financial and strategic support services to the Cape Winelands District Municipality.								
CWDM PDO	PO #	Outcome Indicator	KPI #	Key Performance Indicator	2018/2019 Annual Target and Performance		Comments	
					Annual Target	Annual Actual		
							during the year due to the Post retirement benefit obligations that were corrected downwards.	
				Maintaining a sound solvency ratio as at financial year-end	-	2.8:1	0.31:1	<u>Underachievement:</u> The current liabilities decreased during the year due to the Post retirement benefit obligations that were corrected downwards and no

STRATEGIC OBJECTIVE 3 - Providing effective and efficient financial and strategic support services to the Cape Winelands District Municipality.							
CWDM PDO	PO #	Outcome Indicator	KPI #	Key Performance Indicator	2018/2019 Annual Target and Performance		Comments
					Annual Target	Annual Actual	
							loans were taken up by the Municipality. The expected operating expenditure were lower than anticipated. During the budget process management will do detailed analysis to ensure that budget request and current budgets are in line



STRATEGIC OBJECTIVE 3 - Providing effective and efficient financial and strategic support services to the Cape Winelands District Municipality.							
CWDM PDO	PO #	Outcome Indicator	KPI #	Key Performance Indicator	2017/2018	2018/2019	
					Target	Annual Target and Performance	
					2017/2018 Actual	Annual Target	
						Annual Actual	Comments
3.3	3.3.1	To ensure a skilled and competent workforce in order to realise organisational strategic objectives.	3.3.1.1	Number of Workplace Skills Plan Submissions to the LGSETA.	1	-	
				Number of Workplace Skills Plan submissions to the LGSETA by 30 April.	-	1	Annual target achieved.
	3.3.1.2	The percentage of a municipality's training budget actually spent on implementing its workplace skills plan	-	95%	98%	<u>Overachievement:</u> More funds received resulted in more training taking place.	
	3.3.2	Improved Labour Relations and informed Workforce.	3.3.2.1	Number of Employment Equity Report submissions to the Department of Labour.	1	-	
			3.3.2.1	Number of Employment Equity Report submissions to the Department of Labour by 15 January	-	1	Annual target achieved.
3.3.3	To ensure that capital funds received are spent, 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	-	95% (cumulative)	84.5%	<u>Underachievement:</u> The capital spent is below target due to some project being cancelled and others carried forward to 2019/2020 financial

STRATEGIC OBJECTIVE 3 - Providing effective and efficient financial and strategic support services to the Cape Winelands District Municipality.									
CWDM PDO	PO #	Outcome Indicator	KPI #	Key Performance Indicator	2017/2018 Target	2017/2018 Actual	2018/2019 Annual Target and Performance		Comments
							Annual Target	Annual Actual	
3.3.4		To ensure a corruption-free Cape Winelands District Municipality.	3.3.4.1	Establishment of an externally managed corruption hotline	-	-	1	0	<p>year.</p> <p>During the budget process an assessment will be made of the current status of the SCM process with the regards to capital acquisitions and management will have to make decisions to accelerate capital expenditure.</p> <p><u>Underachievement:</u> Due to capacity constraints during the year, the process could not be started. Target has been included in KPIs for 2019/2020.</p>



STRATEGIC OBJECTIVE 3 - Providing effective and efficient financial and strategic support services to the Cape Winelands District Municipality.								
CWDM PDO	PO #	Outcome Indicator	KPI #	Key Performance Indicator	2017/2018	2018/2019 Annual Target and Performance		
					Target	Annual Target	Annual Actual	Comments
	3.3.5	To improve the livelihoods of citizens in the CWDM area	3.3.5.1	Number of work opportunities created (in person days) through the municipality's various initiatives	-	9 200	18 129	<u>Overachievement:</u> Fire services reservists work opportunities were not taken into consideration when target was set.
	3.3.6	To transform the work force of the municipality 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 the municipality's approved employment equity plan	-	90% (of appointments)	90%	Target achieved.

### **3.3 National Key Performance Areas 2018/2019**

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 Cape Winelands District Municipality contributed to the National KPA's as follows:

<b>KPA 1 – SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT</b>			
<b>Roads</b>	<b>Unit</b>	<b>2017/2018</b>	<b>2018/2019</b>
Kilometres of road responsible for (provincial de-proclamation and maintenance contracts)	km	3 601	3 601
Kilometres of roads maintained and rehabilitated (provincial de-proclamation and maintenance contracts)	km	3 601	3 601
<b>Total amount of operating budget allocated to road maintenance</b>	<b>Rand</b>	<b>R 111 147 671</b>	<b>R 128 229 878</b>
<b>Total amount of operating budget spent on road maintenance</b>	<b>Rand</b>	<b>R 95 326 155</b>	<b>R 110 011 978</b>
<b>KPA 2 – LOCAL ECONOMIC DEVELOPMENT</b>			
<b>Economic growth</b>	<b>Unit</b>	<b>2017/2018</b>	<b>2018/2019</b>
Total rand value of contracts awarded	Rand	R 159 352 416	R 142 437 126
Total rand value of contracts awarded to SMIMES	Rand	R 153 066 990	R 135 040 698
Total rand value of contracts awarded to BEE suppliers	Rand	R 67 850 865	R 68 660 377
Total rand value of contracts awarded to women	Rand	R 51 947 626	R 43 114 862
<b>KPA 3 – MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT</b>			
<b>Financial Viability</b>	<b>Unit</b>	<b>2017/2018</b>	<b>2018/2019</b>
Total operating transfers (grant and subsidy income)	Rand	R 230 433 575	R 231 988 667
Total operating expenditure	Rand	R 361 203 422	R 347 732 802
Capital budget spend in year	Rand	R18 269 757	R 14 248 205
Council approved capital budget in year	Rand	R 20 320 170	R 16 812 960
Total outstanding customer debt as at 30 June	Rand	R 14 649	R 34 770

Current assets as at 30 June	Rand	R 649 661 124	R 691 677 720
Current liabilities as at 30 June	Rand	R 42 185 343	R 38 470 450
Total revenue	Rand	R 380 238 398	R 398 608 615
Revenue from grants	Rand	R 230 433 575	R 231 988 667
Debt service payments (Finance Charges)	Rand	R 91	R 0
Salaries budget (including benefits)	Rand	R 201 808 914	R 216 992 111
Total operating budget	Rand	R 401 848 332	R 419 072 114
Municipal systems improvement grant (MSIG)	Rand	R 0	R 0
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
<b>KPA 4 – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT</b>			
<b>Organisational design and capacity</b>	<b>Unit</b>	<b>2017/2018</b>	<b>2018/2019</b>
Number of posts in the organogram as at 30 June	Number	667	494
Number of posts in the organogram that were filled as at 30 June	Number	419	406
Total number of staff employed in the municipality as at 30 June	Number	447	428
Total number of Section 57 staff employed in 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	1	0
Percentage of municipality's budget spent on implementing its workplace skills plan	Percentage	0.3%	0.26%

<b>Employment equity</b>	<b>Unit</b>	<b>2017/2018</b>	<b>2018/2019</b>
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) in the municipality who were women as at 30 June	Number	158	155
Number of staff (out of total number of staff) in the municipality who were classified as disabled as at 30 June	Number	8	8
<b>KPA 5 – GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>			
<b>Council meetings</b>	<b>Unit</b>	<b>2017/2018</b>	<b>2018/2019</b>
How many council meetings were held in the financial year?	Number	12	12
How many open council meetings were held in the financial year?	Number	11	10
<b>Corporate governance</b>	<b>Unit</b>	<b>2017/2018</b>	<b>2018/2019</b>
Number of Section 57 staff dismissed	Number	0	0
Number of Section 57 staff suspended	Number	0	1
Number of Section 57 staff resigned	Number	0	0

### 3.4 .....Performance Improvement Measures

The followings actions were taken throughout the 2018/2019 financial year to improve the culture of performance management in the organisation:

- Strategic Sessions with the Mayor and Management were held;
- All Executive Directors were tasked by the Municipal Manager to prepare up-to-date evidence files which was uploaded on the Collaborator electronic record management system;
- Performance Contracts were concluded with staff directly reporting to the Municipal Manager and/or Executive Directors;
- Random sampling of key performance indicators and projects were done by internal auditors to verify the quality of data and evidence of performance;
- Internal Audit reports are submitted to management for response and action to address any identified shortcomings;
- These Internal Audit reports also serve before the Audit Committee for oversight and then the Audit Committee's quarterly report serve before Council; and
- An electronic compliance register is also assisting to monitor the compliance with various pieces of legislation relating to performance management.

#### 3.4.1 PMS Audit Focus for 2019/2020

The focus from the Internal Auditors for the 2019/2020 financial year will be as follows:

- Quarter 1: Compliance review to various pieces of legislation including any additional Regulations and National Treasury Circulars;
- Quarter 2: All scorecards Key Performance Indicators (KPI's) sampling;
- Quarter 3: All scorecards Key Performance Indicators (KPI's) sampling; and
- Quarter 4: Organisational KPI's testing.

### **3.5 .....Supplier Performance**

#### **Background**

This report is in compliance with Section 46(1) of the Municipal Systems Act, Act 32 of 2000 in respect of Supplier Performance. The purpose of the report is to assist and strengthen Council's oversight role in the execution thereof. Furthermore, in terms of Sec. 46(2), it must be included in the Annual Performance Report and Annual Report.

#### **Actions/procedures giving effect to this report**

The Constitution of the Republic of South Africa, 1996 addresses this issue in section 217. When an organ of state in the national, provincial or local sphere of government, or any other institution identified in national legislation, contracts for goods or services, it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost-effective.

This statement extends to the performance of the suppliers utilised by the municipality in exercising its mandate to service delivery.

#### **Tenders and quotations evaluated on performance**

Suppliers are evaluated on work performed or goods supplied for functionality, quality and performance. To evaluate the supplier a document is prepared and issued, in respect of the previous six months, to the relevant official who initiated the acquisition.

The following documents, per department, were issued and submitted for evaluation:

Relevant Department/Division	Tenders			Quotations	
	2017/2018	2018/2019	2017/2018	2018/2019	
<b>COMMUNITY DEVELOPMENT SERVICES</b>	11	12	20	8	
<b>CORPORATE SERVICES</b>	16	1	10	2	
<b>FINANCE</b>	2	29	2	6	
<b>LOCAL ECONOMIC DEVELOPMENT</b>	2	1	3	5	
<b>ENGINEERING/TECHNICAL SERVICES</b>	26	89	30	23	
<b>GOVERNANCE</b>	0	0	0	0	
<b>OFFICE OF THE MUNICIPAL MANAGER</b>	1	0	1	2	
<b>RURAL &amp; SOCIAL DEVELOPMENT</b>	2	1	10	6	
<b>Grand Total</b>	<b>60</b>	<b>133</b>	<b>76</b>	<b>52</b>	



**Quality of performance:**

The evaluation is objective and based on five performance areas as indicated in the evaluation schedule below.

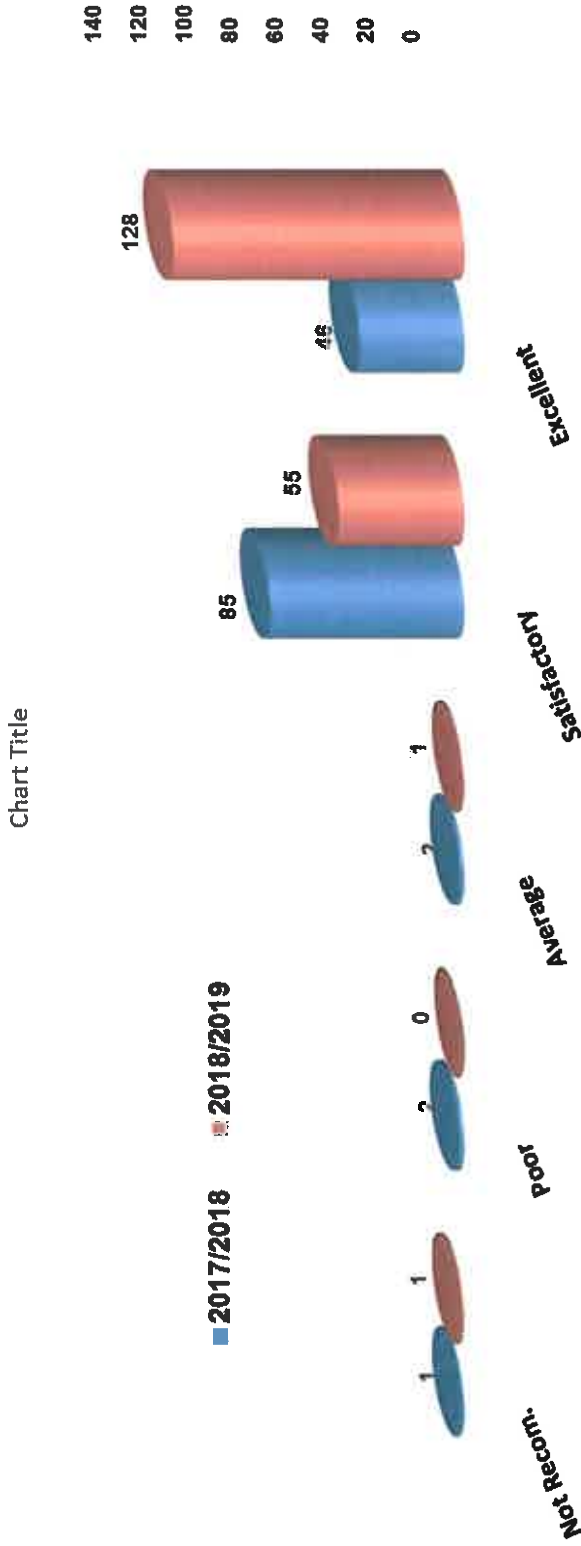
The contract manager is responsible for the evaluation, but in the event that the supplier is rated lower than 18 points out of a possible of 25 (72%), he/she must be consulted and when agreed on the final rating, sign the evaluation document as proof of consultation. At this point any corrective measures are attended to.

SUPPLIER PERFORMANCE ASSESSMENT	
Performance area	Rating
<p><b>Project management and control</b></p> <ul style="list-style-type: none"> <li>Non-existent or inadequate project management</li> <li>No evidence of formal control in place</li> </ul>	<ul style="list-style-type: none"> <li>Project manager identified</li> <li>Simple project plan in place</li> <li>Update on progress</li> <li>Reliance on individuals rather than processes</li> <li>Hazardous controls</li> </ul>
<p><b>Communications</b></p> <ul style="list-style-type: none"> <li>Difficult to contact or no response</li> <li>Evidence of poor internal communications</li> <li>Response regularly inadequate</li> </ul>	<ul style="list-style-type: none"> <li>Project manager has formal oversight of project and processes</li> <li>Formal project management processes followed</li> <li>Regular change control</li> <li>Regular communications and relationship</li> <li>Formally proactive and responsive</li> <li>Some clarification required</li> </ul>
<p><b>Flexibility</b></p> <ul style="list-style-type: none"> <li>Inflexible and reliant on contract</li> </ul>	<ul style="list-style-type: none"> <li>Fairly rapid response to queries</li> <li>Some clarification often required</li> <li>Willing to be flexible around project demands in or medium term</li> </ul>
<p><b>Capability</b></p> <ul style="list-style-type: none"> <li>Inadequate capability</li> <li>Consistently missing critical deadlines or milestones</li> <li>Multiple design or production errors</li> </ul>	<ul style="list-style-type: none"> <li>Good capability</li> <li>Missing of critical milestones or deadlines</li> <li>Virtually no design or production errors</li> </ul>
<p><b>Delivery</b></p> <ul style="list-style-type: none"> <li>Frequently expediting constrained resulting in significant schedule problems</li> <li>Expediting regularly required</li> </ul>	<ul style="list-style-type: none"> <li>Regular delivery on schedule</li> <li>Limited capacity to reschedule to meet urgent changes</li> <li>no expediting required</li> </ul>

NB: Where the specific category does not apply to the relevant evaluation or supplier, a rating of four (4) must be applied.

**Evaluation Matrix: 01-05 = NOT RECOMMENDED; 06-10 = POOR; 11-15 = AVERAGE; 16-20 = SATISFACTORY; 21-25 = EXCELLENT**

**Performance of suppliers evaluated in comparison with the previous financial year:**



**Improvement and/or deterioration of supplier performance.**

Because of the procurement process, the municipality does not work with the same suppliers every year. Although there may be repetition of some, new suppliers are constantly entering the process. Therefore, performance comparisons are measured on percentage per performance category rather than on the individual.

If it is found that a specific supplier does not meet the municipality's standard of service expectations, corrective measures are taken, preferably while the project is in process, to guarantee a positive outcome.

Suppliers who do not meet the level of performance are given the opportunity to improve on their capacity, systems and procedures and, after a period of exclusion from the procurement process, can demonstrate that they indeed improved and are capable to deliver on the expected performance levels.

#### Performance assessment for the last two financial years:

Perf. Level	Category	2017/2018		2018/2019		Movement (Evaluation must be objective per category)
		# of Evaluations	% of Category			
1	Not Recommended	1	0.74%	1	0,54%	Improvement
2	Poor	2	1.47%	0	0,00%	Deterioration
3	Average	2	1.47%	1	0,54%	Deterioration
4	Satisfactory	85	62.50%	55	29,73%	Deterioration
5	Excellent	46	33.82%	128	69,19%	Improvement
<b>Total:</b>		<b>136</b>		<b>185</b>		

The above diagram reflects a slight improvement in relation to the previous year. A performance of 98.92% (2017/2018: 96.32%) for the two top categories were met. Although the municipality strives to obtain 100% from its suppliers, it may be too ambitious. Officials should not be giving higher points just to achieve an artificially high-performance level. Therefore, the two top levels should follow a natural cause and attention must be given to the lower three. To achieve better results the municipality must engage with poor performing suppliers to capacitate better performance.

### 3.6 .....AG Outcomes for 2018/2019

During the last four years (2015/2016, 2016/2017, 2017/2018 and 2018/2019) the Cape Winelands District Municipality received clean audits.

For the 2018/2019 year, the following is a summary of the areas assessed as "Good":

MAIN AREA	SUB AREA	MOVEMENT from previous year
Leadership	Effective leadership culture	Unchanged
Leadership	Oversight responsibility	Unchanged
Leadership	HR Management	Unchanged
Leadership	Policies and Procedures	Unchanged
Leadership	Audit action plans	Unchanged
Leadership	IT Governance	Unchanged
Financial and Performance Management	Proper record keeping	Unchanged
Financial and Performance	Processing and reconciling controls	Unchanged

MAIN AREA	SUB AREA	MOVEMENT from previous year
Management		
Financial and Performance Management	Regular reporting	Unchanged
Financial and Performance Management	Compliance monitoring	Improved
Financial and Performance Management	IT system controls	Improved
Governance	Risk Management	Unchanged
Governance	Internal Audit	Unchanged
Governance	Audit Committee	Unchanged

## TECHNICAL SERVICES

### COMPONENT A: BASIC SERVICES

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

#### INTRODUCTION TO BASIC SERVICES

The Cape Winelands District Municipality does not provide any services but assists with certain infrastructure in rural areas. 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 assist with the provision of clean water as well as sanitation services. Farm workers are also assisted by Council with the provision of subsidies for the water and sanitation services in the homes, as well as for the provision of warm water to improve the lives of farm dwellers.

#### WATER PROVISION

##### INTRODUCTION TO WATER PROVISION

To supply water to schools and labourer cottages, the CWDM provides subsidies that assist landowners to provide water to the farm worker dwellings. It is important that potable water at all schools is safe to drink and for that reason, where water quality does not conform to the applicable standards, water purification systems are provided to reach the required standards.

##### COMMENT ON WATER SERVICES PERFORMANCE OVERALL

Not all targets for the 2018/2019 financial year were met and not all the approved projects were completed.

#### WASTE WATER (SANITATION) PROVISION

##### INTRODUCTION TO SANITATION PROVISION

To provide sanitation to schools and farm labourer cottages, the CWDM grants subsidies that assist farmers to provide sanitation within the farm laborer cottages. As the rural schools expand due to additional classes and grades, the current facilities sometimes cannot cope with the amount of learners. In these cases the CWDM assists with the construction of additional infrastructure to provide effective and clean sanitation services at these schools.



### **COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL**

The target for the provision of sanitation at rural schools for 2018/2019 financial year was not met and not all projects were completed.

### **ELECTRICITY**

#### **INTRODUCTION TO ELECTRICITY**

The Cape Winelands District Municipality does not provide electrical services, but assists landowners in the rural area 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 for the 2018/2019 financial year was exceeded and 220 units were installed during the year.

### **WASTE MANAGEMENT**

#### **INTRODUCTION TO WASTE MANAGEMENT**

The Cape Winelands District Municipality does not render any refuse collection service, but is in the process of investigating possible areas for regional waste disposal sites within the district.

#### **COMMENT ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL**

The investigation has been completed and possible sites were identified. The environmental authorization process was completed and a license was issued by the WCG: DEA. An appeal was lodged and Council awaits the final outcome of the appeal.



**COMPONENT B: ROAD TRANSPORT****INTRODUCTION TO ROAD TRANSPORT**

Ownership of public roads in the Cape Winelands District Municipality's area vests only with the National or Provincial government or with the local municipalities. The five District Municipalities' road staff only perform an agency function for the Western Cape Government Transport and Public Works (WCG T & PW). The emphasis of the agency function is to perform various maintenance activities on the allocated provincial roads (under the technical guidance of the three Provincial District Roads Engineer's offices in the Province).

**AGENCY FUNCTION**

The Agency function is 100% funded and funding transfers are governed by a financial agreement. It is expected that the Cape Winelands District Municipality (CWDM) perform this function with its own road staff. All plant and equipment is provided by WCG T & PW.

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

- Provincial roads allocated to CWDM to maintain: 2901 gravel roads and 700km surfaced
- Provincial roads maintained by the Provincial District Roads Engineer's office: 566.7km surfaced with contracts and 99.8km by their own staff

The Agency Agreement with the Western Cape Government: Department of Transport and Public Works stipulates what is expected of the District Municipality. The emphasis of the agency function is on road maintenance activities to assist the Provincial Government with their important task of preserving their existing upgraded 6 485km surfaced provincial road network asset in the Province. The biggest challenge is the shortfall in allocated funding required to attend to the all the identified technical maintenance, resealing, regraveling, 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 are towards the poor condition of the provincial gravel road network. The majority of the 2 901 km of the provincial gravel road network in CWDM area needs regraveling/reworking/reshaping. Wet weather has a negative impact on the riding quality of these roads as they urgently require re-shaping (to improve drainage) and regraveling (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 from the National Government to the Provincial Government to address all the requests from communities to upgrade or to attend to the technical regravel needs of the approximately 25 245 km provincial gravel roads in the province is insufficient, the need thus outweighs the resource.

The main performance targets set by the Department of Transport and Public Works can be summarised as:

- 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; and

- Costs relating to the different maintenance and limited construction activities must be economically sound.

The measurement of the main performance targets by the Department of Transport and Public Works is done by:

- The use of a computerised management system where all Cape Winelands District Municipality's roads staff are registered against total cost per road maintenance activity per road; and
- Road projects regravel, reseal and upgrade per km per allocated budget per project
- Regular quarterly meetings between senior technical officials from the five District Municipalities and WCG T & PW to evaluate total spending and compare each District Municipality's cost per road maintenance activity per road.

The performance for CWDM according to the Provincial financial year allocation (1 April 2018 up to 31 March 2019) for the budgeted items were as follows:

BUDGET ITEM	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL SPENDING
ROUTINE MAINTENANCE	62 000 000	59 000 000	62 499 385
RESEALING	11 900 000	16 895 000	12 836 729
REGRAVELLING	25 050 000	26 500 000	32 857 304
UPGRADE	9 600 000	17 000 000	15 128 449
TOTAL	108 550 000	119 395 000	123 321 867

The main reason for the over expenditure on the total available budget for the 2018/2019 provincial financial year, was due to the efforts to assist in improving the riding conditions on the 2901km gravel provincial roads. The over expenditure will be recovered by Provincial with their new 2019/2020 regravel allocation.

**PUBLIC TRANSPORT**

The mandate for transport at district municipal level is derived as follows - the Constitution of the Republic of South Africa in respect of local government matters listed under Part B of schedule 4 stipulates that “Municipal Public Transport” is to be the responsibility of a municipality and further 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: the division Public Transport Planning and Regulation. The approach adopted by the sub-directorate 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 reach the various service delivery goals in public transport.

The table below indicates the critical areas identified in reaching the service delivery goals, with their respective projects:

Outcome	Projects	Targets	Achievement 2018/2019
Improved mobility of citizens in the district	Review the CWDM District Integrated Transport Plan	Improve public transport level of service rendered by the un-regulated and privately funded minibus taxi industry	Completed Transport Register and Operating Licence Plan for selected inter-Municipal non- contracted Minibus- taxi routes.  Council approved on 27 June 2019.
	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	Completed the planning for 13 urban schools in Breede Valley LM. The implementation phase of this project is dealt with by the Deputy Director: Projects.  Completed the planning for 13 urban schools in Breede Valley LM. 7 Schools were assisted during the implementation phase of this project.
Improved road safety	Transport Month event	Host a transport month event during October in Drakenstein LM	Hosted a Transport month event in Mbekweni taxi rank Saturday 6 October 2018, Huguenot train station Wednesday 10 October 2018 and Wellington taxi rank Saturday 13 October 2018.

## **Transport Month Event**

### **Aim of transport month**

Transport Month is a national initiative to raise awareness with regard to the role of transport on the economy, and to encourage participation by citizens and businesses. Transport Month goal is to place emphasis on the provision of a safe, affordable, accessible and reliable transport system in the country as well as to engage in extensive campaigns that showcase the progress achieved in various transport programs and projects while increasing awareness of public transport.

The division commemorates Transport Month with the knowledge that South Africa's road death toll remains at an unacceptably high level. Road accidents result in both lives and economic loss, the effect of these costs are often devastating.

The goal for the Cape Winelands District Municipality's Transport Month is to raise commuters' awareness of safety for women using public transport in public transport operators and the business sector, to increase usage, safety and quality of service rendered by public transport operators, as well as increasing the awareness of the commuter on personal road safety.

Transport Month 2018, themed, 'let's travel safe together' was hosted successfully in October 2018 at Mbekweni taxi rank, Huguenot train station as well as the Wellington taxi rank was given full support by the Portfolio Councillor for Technical Services: Cllr GJ Carinus.



Patrick Molofe (volunteer) hands a little girl a pamphlet at the Wellington taxi rank making use of public transport, to make sure that even the youngest of commuters know how to keep themselves safe while traveling on public transport.



Ollr Gideon Carrus, (Portfolio holder for Technical Services, CWDM) chats to a commuter giving him some safety tips to implement on his next train ride.



Left to right is Victor Sables (Tiger Eye Trading), Patrick Molofe (Tiger Eye Trading, volunteer), Ollr Gideon Carrus (Portfolio holder for Technical Services, CWDM) Ruben Present (Volunteer, Noorder Paarl High school), Bevan Kuitz (Deputy Director, Public Transport, CWDM) and Liam Wilson volunteer from Noorder Paarl High school.

**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 Cape Winelands District Municipality is reliant on Council's equitable share and irregular grants from the provincial WCG T&PW. The impact and performance on the mandatory transport function is 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 as evidenced by the enthusiastic response from the various participants and beneficiaries, i.e. Transport Month event hosted in Drakenstein and implementation of improvements to road infrastructure at urban schools in Breede Valley LM.



**COMMUNITY DEVELOPMENT AND PLANNING SERVICES****COMPONENT C. PLANNING AND DEVELOPMENT**

The department Community Development and Planning Service comprise of the following divisions:

**Spatial Planning Services:** Spatial Planning division has a limited function pertaining to Town and Regional Planning and is thus only 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 SPLUMA 16 of 2013.

**Socio-Economic Development:** The divisions of Local Economic Development and Tourism amalgamated with the division Rural and Social Development to form a new division called Socio-Economic Development in 2018/19. 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 the CW-RSEDS to Council for adoption. The CW-RSEDS was adopted by Council on 27 May 2019.

**Municipal Health Services:** In terms of Part B of Schedule 4 of the Constitution of the Republic of South Africa, 1996, Section 156(1)(a) Municipal Health Services had been entrusted to local authorities. According to the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998), Section 84(1)(i), Municipal Health Services (MHS) were 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), Section 32(1), tasks every metropolitan and district municipality to ensure the provision/rendering of Municipal Health Services (MHS). Air quality management resorts under Municipal Health Services in the municipality. The CWDM's 2<sup>nd</sup> 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 2<sup>nd</sup> Generation AQMP. The identified goals and targets within the CWDM 2<sup>nd</sup> Generation AQMP was presented and discussed at a Council Policy Workshop on 25 October 2018 to ensure a good understanding of the CWDM AQMP action plan with allocated timeframes for implementation and the implementation indicators.

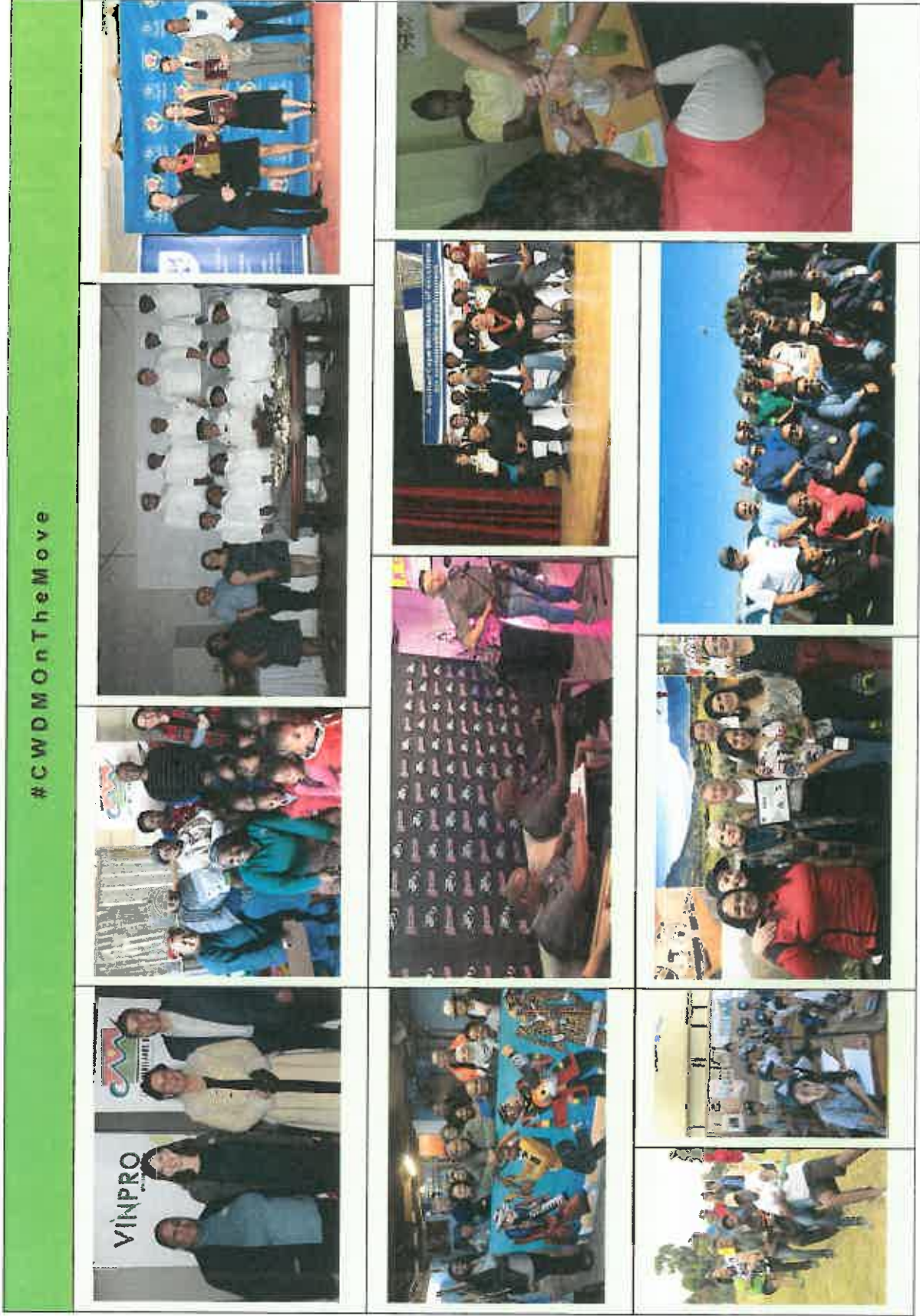
**Disaster Management Services:** The CWDMC consists of a Disaster Management Centre and three permanent staff members assisted by an intern, whose contract comes to an end in November 2019. The purpose of the CWDMC is to ensure co-ordination of multi-disciplinary and multi-sectoral risk reduction through 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, No. 57 of 2002 as amended by the Disaster Management Amendment Act, No. 16 of 2015. In terms of Section 51 of the Disaster Management Act, no 57 of 2002, the Cape Winelands Disaster Management Centre (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.

**Fire Fighting Service:** In terms of Section 84(1) (j) of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998), Fire Services have the following functions:

- 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;
- Coordination of the standardization of infrastructure, vehicles, equipment and procedures; and
- Training of fire officers.

The fire season has not been the most challenging fire season ever endured but it was still a busy and rough season. The Fire Services responded and attended to more than 1300 fires reported from the 1<sup>st</sup> October 2018 to the 30<sup>th</sup> April 2019.





**Departmental Statistics**

**OUR REACH IN COMMUNITIES:**

- **±3300** People reached through the 16 days of activism campaign
- **±500** Vulnerable children participated in Victim Empowerment programmes
- **±1500** Elderly persons were afforded the opportunity to participate in the Health and Wellness Sports event
- **±27** community organisations were supported that enabled them to do their work within communities
- **±800** Living Active Age programmes were implemented
- **More than 6000** Sanitary wares provided to school learners across the district
- **500** Diapers were provided to Elderly
- **±1800** people participated in the international day for people with disabilities
- **1310** Youth from across the district participated in Youth Month programmes

**EDUCATION, TRAINING AND SKILLS DEVELOPMENT**

**EARLY CHILDHOOD DEVELOPMENT**

- **30** Early Childhood Development Centres were supported
- **52** Early Childhood Development Centres were support by providing them with fire retardant paint to assist them in becoming compliant for registration

**EDUCATIONAL PROGRAMMES**

- **4000** rural school learners were afforded opportunities to embark on educational excursions
- **1500** Children were kept safe during holiday programmes

**TRAINING PROGRAMMES**

- **18** SMMEs were provided with small business training focusing especially on financial management
- **11** small farmer

**SPORT RECREATION**

**AND TOURISM TRAINING**

- **60** sport and recreation clubs were supported
- **800** school children were part and parcel of the business against crime event
- **350** people were part of

- **22** trained in customer care
- **20** site guides trained
- **12** trained in events management
- **14** trained in Introduction to Wine
- **11** received culinary training
- **46** received first aid training
- **9** received exhibition training

<p>the Cape Winelands sport awards</p> <ul style="list-style-type: none"> <li>• 250 people were part of Boland Rugby sport awards</li> <li>• 2000 people were reached through Easter tournaments</li> <li>• 1000 people took part at the freedom run event</li> <li>• 400 sport clubs were assisted with transport to honour league games</li> <li>• 1000 kids were afforded opportunity to take part in riel dance competitions</li> <li>• 450 people took part at the Cape Winelands Drama festival</li> </ul>	<p><b>ENVIRONMENTAL MANAGEMENT</b></p> <p><b>Natural Resource Management Programmes</b></p> <p>Two projects: Cape Winelands Invasive Alien Vegetation Management Programme, and River Rehabilitation Programme</p> <p>Thirty-four (34) sites/contracts were awarded and cleared allowing for:</p> <ul style="list-style-type: none"> <li>• Work opportunities created: <b>±18129</b></li> <li>• Hectares cleared: <b>±3212.68</b></li> </ul>	<p>individual/groups were trained in business and financial management</p> <p><b>SKILLS DEVELOPMENT</b></p> <ul style="list-style-type: none"> <li>• 32 Unemployed youth were afforded opportunity driver license training</li> <li>• 90 Lay Health workers were trained in First Aid level 1 and 2</li> <li>• 450 Learners were trained in fire-fighting related courses</li> </ul> <p><b>MENTORSHIP PROGRAMME</b></p> <ul style="list-style-type: none"> <li>• 18 SMMEs and 11 small farmers were placed on a mentorship programme</li> </ul>
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**Departmental Statistics**

**FIRE FIGHTING**

- Attended to approximately 1391 fires
- Area of vegetation burned amounts to more than 50 000 hectares
- Aerial resources were called out on 35 occasions
- No serious damage to property was reported

**MHS: ACTIVITIES CONDUCTED IN RELATION TO FOOD CONTROL**

- 8009: No. of inspections conducted at food premises
- 1282: Applications for Certificates of Acceptability inspections conducted
- 1241: Applications for Certificates of Acceptability inspections conducted
- 83: No. of Orders and Notices issued to food premises

**NUMBER OF PEOPLE TRAINED IN MUNICIPAL HEALTH RELATED MATTERS:**

- 756: Duties of the Food Handler
- 60: Standards & Requirements for Food Premises, Duties of the Food Handler, Transport, Delivery, Storage and Display of food, Cleaning and Sanitation of Food Premises
- 10: Standards & Requirements for Food

**MHS: WATER QUALITY SAMPLING 2018 – 2019:**

- 138: General limit for Wastewater discharged into a water resource
- 2: Legionella Screening
- 6: MOORE PADS
- 238: SANS 241 Farms Non-Water Services Authority Specifications for Drinking Water
- 90: SANS 241 Rural Schools Non-Water Services Authority Specifications for Drinking Water

**MHS: FOOD SAFETY SAMPLING 2018 - 2019**

- 66: Surface Swabs analysed
- 107: Cooked poultry
- 68: Cooked sea-water and freshwater foods
- 176: Dairy product or composite dairy product with the exception of ripened cheese
- 2: Desiccated coconut
- 116: Dried spices and aromatic plants
- 1: Edible gelatin
- 34: Edible Ices
- 1: Egg product after pasteurization or irradiation
- 89: Fruit juice for consumption
- 186: General Micro analyses of Foodstuffs
- 23: Ripened cheese
- 88: Natural mineral water or bottled water
- 23: Partly cooked or uncooked sea-water and freshwater foods
- 278: Pasteurised milk, pasteurised reconstituted (prepared) milk, pasteurised skimmed milk, pasteurised reconstituted (prepared) skimmed milk or pasteurised cream
- 24: Raw milk intended for further processing
- 0: Raw milk that has become sour for consumption
- 3: Raw milk, raw cream, raw skimmed milk, raw reconstituted (prepared) milk or raw

<p>Premises: Do's and Don'ts for Spaza Shops</p> <ul style="list-style-type: none"> <li>• 55: Food Safety</li> <li>• 413: Food Safety</li> <li>• 850: Personal Hygiene &amp; Environmental Awareness</li> <li>• 57: Early Childhood Development Centres</li> <li>• 2400: Cape Winelands: Education District- Career Exhibition: Grade 9's</li> <li>• 175: Handwashing</li> <li>• 700: Diarrhoea Awareness</li> <li>• 64: Stop Flies Campaign</li> </ul>	<ul style="list-style-type: none"> <li>• 582: SANS 241 Water Services Authority: Specifications for Drinking Water</li> <li>• 44: Special limit for Wastewater discharged into a water resource</li> <li>• 185: Standard for Rivers, dams, canals</li> <li>• 144: Standard for swimming pool water</li> <li>• 16: Water used in milking sheds</li> </ul>	<p>reconstituted (prepared) skimmed milk for consumption</p> <ul style="list-style-type: none"> <li>• 2: Rooibos tea packed in retail packaging at the point of sale</li> <li>• 2: Sterilised cream, milk, reconstituted milk and UHT</li> <li>• 1: Sugars used for canning</li> </ul> <p><b>AIR QUALITY</b></p> <ul style="list-style-type: none"> <li>• 129: Received and attended air quality complaints</li> </ul>
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## COMPONENT D: COMMUNITY AND SOCIAL SERVICES

### DIVISION SOCIO-ECONOMIC DEVELOPMENT

The CWDM continues to build and strengthen partnerships (whether formal or informal) with the private sector, civil society and communities in order to continually build a strong economic and social foundation for the District. The economic partnerships have started to bear fruit where some of the projects have been replicated in other areas because of the successful implementation. It has become abundantly clear, that where an economic development project has had success, it has been because the projects were either jointly planned or jointly implemented by local government and the private sector.

### INVESTMENT ATTRACTION, RETENTION AND OPPORTUNITIES PROGRAMME

The focus of the Cape Winelands Investment Attraction, Retention and Opportunities Programme is to promote investment in the Cape Winelands District, by focusing on:

- Retaining and expanding existing businesses;
- Identifying opportunities in the area; and
- Attracting new investment in the area.

#### Investment Project: Wine Tourism Toolkit Project

Vinpro launched the Wine Tourism Toolkit, a comprehensive resource for South African wine tourism. The Toolkit was developed on behalf of the industry to assist businesses to establish or expand their wine tourism footprint. The online Toolkit provides a blueprint to assist wineries to plan and implement their wine tourism initiatives, as well as seven sections which focus on different aspects of wine tourism, each including resources, check lists, templates and case studies. Users can work through the Toolkit sequentially or select different modules and topics to suit their needs.

The benefits to wineries of using the Toolkit would include unlocking additional revenue streams by developing a suite of wine tourism experiences, improved service delivery, increased revenue from wine sales and growing brand awareness by offering quality experiences to visitors.

The Toolkit is made available to the industry at no cost thanks to funding from the Cape Winelands District Municipality (CWDM), as well as a further contribution from Vinpro to expand its reach to wine-related businesses across the country.

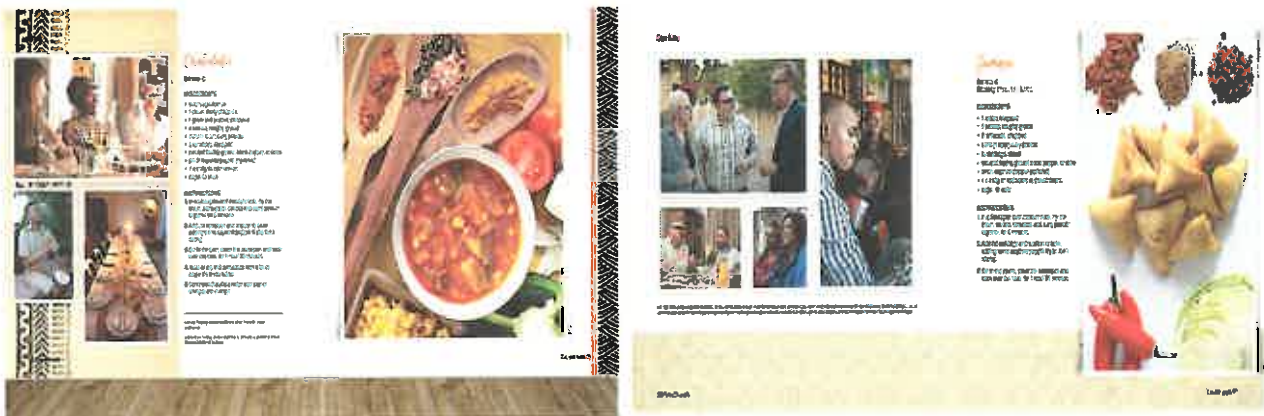
“The CWDM recognises the strategic value of wine production as part of the broader regional economy where the multiplying effect contributes further to agri-processing, wine tourism, hospitality, employment opportunities, skills development and manufacturing, to mention a few,” says Dr Helena von Schlicht, CWDM executive mayor. “Cooperation through strategic partnerships is vital to the continued growth of the industry and the association of the CWDM with Vinpro is ideal in striving towards excellence in the promotion of our wine tourism product.”

The dynamic Toolkit will be updated bi-annually to ensure that the content remains fresh and relevant.

**Business Retention and Expansion Project: Dine with Locals**

The CWDM has supported the Dine with Locals Cultural Tourism project implemented by Stellenbosch 360 for four years. The project was based largely on inherent talent and the richly diverse cultural heritage amongst the different communities in Stellenbosch. Dining with Locals concept which is based on a Shared Economy Model, provides an income for drivers (transport), caterers, performing artists, crafters and casual staff and the host. The project has been widely acclaimed to be a very successful initiative to drive economic empowerment for emerging entrepreneurs. This initiative is a prime example of how culture tourism can assist talented individuals and communities to access the mainstream tourism industry.

The Visual Arts Department of the Stellenbosch University has created a coffee table book of the dine with local events.





The projects' success has led to other Local Tourism Associations in Western Cape copying the concept and model and introducing it in their towns.

**Investment Attraction Project: The Namibian Tourism Expo**

Local Economic Development is based on the concept that wealth in localities is created not by government but by the private sector. Businesses depend on having favourable local business environment to create that wealth and prosperity. Municipalities have a central role in creating the favourable business environment for business success.

The CWDM attends trade shows like the Namibia Tourism Expo as a means of providing SMEs in the District with a platform to market their products and services to foreign buyers/consumers/investors. The ultimate aim is for these Cape Winelands SMEs to find new markets for their products (exporting) which leads to more production and can in turn lead to job creation.

The 21<sup>th</sup> annual Namibia Tourism Expo was organised by Republikein and supported by all Namibian Tourism Organisations including the Namibia Tourism Board (NTB). The organisers this year wanted to highlight "Recycling towards sustainable tourism". The following Small and Medium Enterprises (SMEs) were on the CWDM stand:

- Alvi's Drift International Wines;
- Funky Ouma;
- Laharna Farm Products;
- Opstal Landgoed
- Cape Dried Fruit Packers and
- M'hudi Family Boutique Wine.

The CWDM won a SILVER award at the Namibia Tourism Expo.

## ENTERPRISE DEVELOPMENT AND SUPPORT PROGRAMME

### Small Farmer Project

Wayne Mansfield of Fruitfield Farming have been in farming since end 2014. He exports lemons and have started planting olive trees. His olives are picked, pressed and sold at Fairview. He future plans include the planting of blueberries. He exported 66% of lemons to the Middle East and 17% to the United Kingdom (UK). He wants to focus more on the UK market. He attended an expo in Germany earlier this year to explore other markets. Wayne was also one of the category winners of National Department of Agriculture, Forestry & Fisheries for 2019.



### Entrepreneurial Seed Fund Project

Clarize Simpson's business, Clarize's Treats (Op die Berg, Witzenberg) started operating ten years ago and was only done for an extra income. Her business eventually grew and includes baking of pastries, pies and cakes. Her clients include coffee shops that she supplies in Ceres and farms in Op Die Berg region. One of her biggest dreams came true with the help of the CWDM Entrepreneurial Seed Fund. She was finally able to complete the renovations to her kitchen. As a young adult, Clarize is very committed to her business and she places special focus on how she presents her baked products to the public. Her products are also sold at one of the most prominent coffee shops in Ceres's main road.

## TOURISM MARKETING AND DEVELOPMENT PROGRAMME



### Local Tourism Association Projects

This project aims to assist Local Tourism Associations (LTAs) within the juridical area of the Cape Winelands District Municipal with identifying and implementing tourism developmental projects in local towns. Projects such as school educationals, tourism staff educationals, art and music classes for designated groups, skills training, etc. are included in the many projects that has been identified for implementing.

The Cape Winelands District Municipality uses this project as a catalyst to increase awareness and active participation of local communities in the tourism industry of the region. This is done to

enhance excellent service and groom local people to act as ambassadors of the hospitality industry to local, national and international tourists.

### **Tourism Training Project**

Tourism is a major contributor to the economy of any country and a good vehicle for job creation. In South Africa the key objective in tourism has been to enhance its role as a driver of socio-economic development in line with national, provincial and regional growth targets. In order to achieve this on a regional level, the CWDM embarked on a process to provide excellent services in the hospitality industry by improving the skills and abilities of local entrepreneurs such as caterers, tour guides, tour operators, frontline staff, waitress and other hospitality staff. Therefore, the CWDM has identified sector specific training, i.e. culinary, customer care, event management, social media, first aid, computer and introduction to wine training. These training equipped designated groups and SMME's, within region, to capitalize on the prospect of increased tourism activities and service excellence in improving their prospects of gaining appropriate employment in the hospitality industry.

### **Township Tourism Project**

The CWDM had identified through a number of studies that they commissioned that most municipalities require assistance in developing niche township tourism routes. Therefore, this project is an intervention by the CWDM in ensuring that tourism routes become profitable and sustainable. Through this project, smaller tour guides, tour operators and small businesses be afforded the opportunity to gain access to and link with established businesses and routes in order to grow and develop their tourism enterprises. The project consists of four phases:

- Forging partnerships with existing routes;
- Route development support;
- Route visits and educational; and
- Signage and route collateral

The aim is two folded:

- Link smaller tour guides with tour operators and big business organisations; and
- Exposes tour guides that are registered and operating to all the products and new routes on offer in the region by making their itineraries available to tourists or investors into the region.

Therefore, CWDM has entered into agreements with Local Municipalities in the district to assist them in developing their township tourism routes as well as obtaining appropriate tourism road signage for businesses on these routes, including developing collateral such as route maps to assists in the marketing of these tourism routes.

### Media/Tour Operators Educationals

This project aims to promote the hidden gems and the cultural heritage of the CWDM through the hosting of media and tour operator educationals throughout the region. These media educationals enables the CWDM to attract tourists to the region.



Tour operators during a wine tasting

Media group doing a cycling tour



Journalist doing food & wine pairing

Tour Operators doing olive tasting

Most of the media hosted during the 2018/19 financial year includes, Boland Media which is part of Media 24, Social Media, Online Bloggers, Freelancers, Inflight Magazines and Slow Lounges Magazines.

**Sport Tourism Winter Campaign**

The sport tourism winter campaign featured the Mzansi Super League T20, a partnership between the CWDM, Drakenstein Municipality and Boland Cricket. As a result of the success achieved, the CWDM has entered into a 3year partnership agreement with Boland Cricket to promote sports tourism.



**RURAL AND SOCIAL DEVELOPMENT PROGRAMME**

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, provide access to assistive devices, provide funding for community-based organisations and promote the rights of vulnerable groups. The success of these programmes are 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.



## DISABILITY PROGRAMME

Cape Winelands District Municipality 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.

### Skills Development for Persons with Disabilities Project

The lack of Skills Development was one of the challenges that was identified at the Cape Winelands Disability Conference which was held on 23 April 2014. Customer Care training for persons with disabilities was identified as one of the soft skills training needs. The lack of skills development opportunities in this sector contributes to the increasing unemployment rates amongst disabled youth and women in the district. Cape Winelands District Municipality implemented Customer Care Training for thirty (30) persons with disabilities. Developing the competencies of people with disabilities in universal customer service is vital to ensure that they have the knowledge, attitudes and skills to fully address all customer needs. By acquiring these skills, they will be able to provide a consistently high quality of customer service and gain access to the open labour market. For the 2018/2019 financial year participants were recruited in partnership with the Breede Valley municipality, Social Development and APD Breede Valley.

## ELDERLY PROGRAMME

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

### Golden Games Project



Cape Winelands District Municipality in partnership with Service centres, Cape Winelands District Elderly Forum, Drakenstein Municipality, Stellenbosch Municipality, Breede Valley Municipality, DSD and DCAS successfully hosted a District Golden games event on the 30<sup>th</sup> of April 2019 in Breede Valley. The event was held at Boland Park stadium in Worcester and approximately 1500 elderly people from across the district attended this event. The purpose of the event was to sensitise elderly people of their rights, human dignity and take part in competitive sport. The formidable spirit that the elderly persons

demonstrate when they defy age and challenge themselves to play sport, is truly inspiring for younger persons.

## **FAMILIES AND CHILDREN PROGRAMME**

### **Victim Empowerment Programmes Project**

Victim empowerment is an approach to facilitate access to a range of services for all people who have individually or collectively suffered harm, trauma or material loss due to violence, crime, natural disaster human accident or through socio-economic conditions. It aims to restore the loss or damages. Victim empowerment programmes focus taking control, having a voice, being heard, be recognized and respected as an individual. These initiatives focus on empowering people but especially, women and children with information and skills. Through these types of programmes they learn to understand and manage emotions, set and achieve positive goals feel and show empathy for other. It also teaches them to establish and maintain positive relationships and make responsible decisions.

Victim Empowerment programmes were implemented in partnership with Department of Social Development to ensure that approximately five hundred (500) children in the Cape Winelands Municipal District were empowered through a holistic approach. The programme activities included prevention of re-exposure, reframing of cognitive distortions, symptoms management, problem-solving, informed decision-making and group therapy.

### **Holiday Programmes**

During school holidays, young children, especially in impoverished communities, have very little or no recreational space where they can give expression to their need for positive socialisation and interaction with their peers. This places them at risk of being drawn into negative activities such as, youth criminality, increase in substance abuse and risky sexual behaviour. Holiday programmes were implemented in partnership with civil society organisations to ensure the safe keeping of children during school holidays. The programme included a variety of educational and recreational activities which are provided in a safe environment to learn, interact and enjoy. It covered important topics such as crime prevention, teenage pregnancy, drug abuse, anti-bullying and addressing challenges facing children and young people during puberty.

### **Life Skills Camps**

Life Skills Camps empower youth with the tools and information they need for a positive future. These camps were implemented for vulnerable groups which addressed social ills like substance

abuse, domestic violence, sexual offences; forms of violence; self-protection; gender roles; healthy relationships and informed choices.

These camps were done in partnership with NGOs, SAPS, Department of Social Development, Department of Justice and Department of Correctional Services. Five hundred (500) persons were reach through this programme.

### **Adult Diapers**

Department of Health is currently busy with Health and Hygiene awareness programme at senior centres within the Cape Winelands District. Some of the challenges was the need for adult diapers. The successes of these programmes are based on the strong and vibrant partnership with national and provincial government. Through the division Rural and Social, CWDM Executive Mayor Aid (Dr.) Von Schlicht and portfolio councillor Palesa visit elderly centres district wide, to handover 500 adult diapers.

### **Substance Abuse Rehabilitation Programme**



Substance abuse is defined an overutilization of drug that leads to temporay /permant impairment of the person physical, emotional and psychological wellbeing. The effects of substance abuse on the health, work productively and social well-being of the person have an enormous toil on the overall being of the person.

Cape Winelands District Municipality in partnership with social development and NGO's in the Langeberg area has contracted Toevlug Centre to accommodate 11 clients for in-patient treatment for clients residing in the Langeberg. Through intensive screening eleven patients were referred to Toevlug for a period of five weeks and working with the NGO's to prepare the family of the clients while in patients were still in the Rehab. The project was completed on 10 December 2018. All the clients were discharged from Toevlug.

### **Sanitary Ware**

Cape Winelands District Municipality (CWDM) in partnership with Department of Education in our district encourage the nation that education as a tool for a better future. Both CWDM and DOE ensure that the education of young girls is not hindered because of lack of the basic necessity of

feminine hygiene products, they visited rural schools across the district to handover sanitary towels packs. Department of Health is currently busy with Health and Hygiene awareness programme at senior centres within the Cape Winelands District. Some of the challenges was the need for sanitary ware for school learners across the district. The success of this programme is based on the strong and vibrant partnership with Department of education in our district.

CWDM Executive Mayor Ald (Dr.) Von Schlicht and portfolio councillor Palesa visited 32 schools across the district to handover plus minus 6000 sanitary ware during the period of June 2019.

Young people are the heart of the future of South Africa and of our district. CWDM want 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 miss a single day of her education.

### **Early Childhood Development (ECD) Support**

Cape Winelands District Municipality has invested on various programs to better the education of Early Childhood Development, because it's not about care and protection of children but also the development of young children. Also, to ensure that these babies and toddlers go to crèche that has the facilities to give children a good start in life. The building of human capital puts a specific focus on opening doors of learning and culture by providing grant in Aid to 30 ECD centres.



Some of the challenges of ECD centres both in formal and informal setting are in need of fire-retardant paint, so that they can meet some of the requirements needed during registration with WCGDSD. The CWDM Mayor hand over Retardant Paint to 52 ECD centres, each crèche received 25L of paint ,1 x 25Liter bucket and a paint brush, the total cost of the paint was R190 000.

### **First 1000 Days Programme**

The project activity formed part of the province's campaign to raise awareness of the crucial first 1 000 days of your child's life. The first 1 000 days in a child's development, starting from conception, moving through pregnancy, birth, and after the first 2 years of life, are crucial for securing a child's bright future. The most important aspects of the First 1000 days programme are health and nutrition, which both mom and baby need; love and attention that babies needs, and all the support that the mom needs; and play and stimulation that babies need for learning as well as the protection of a safe environment.

The Western Cape Government has prioritised the 1<sup>st</sup> 1000 days initiative as a key strategy towards Maternal, child and whole society Wellness. Roadshows / activation sessions have been identified as one of the key communication interventions to raise awareness and increase knowledge of internal and external stakeholders on the 1<sup>st</sup> 1000 days initiative and key concepts. Raising awareness on first thousand days and to decide whose going to be our target audience wasn't hard to decide. Due to our high teenage pregnancy rate and high incidents of women out in communities who think being pregnant, she needs to carry the load alone for the next 40 weeks.

The workshops were conducted across the district on the 31<sup>st</sup> of May 2019. Such workshops are so helpful for the mothers to be especially those with 1<sup>st</sup> pregnancies. The speakers for the day was: Dr. Murray, Dr. Geldenhuys, Sr. Foord, Me C. Fortuin spoke about the blanket project which was the latest training on the 1<sup>st</sup> 1000 days that was held in Drakenstein Municipality. Plus minus 300 new mothers were reached across the district. The programme focused on affordable nutrition, dental hygiene and healthy life styles.

### **16 Days of Activism Project**

The Municipality facilitates joint planning and collates the inputs of all partners to produce a District calendar of events that are implemented across the district. The calendar provides a 16-day window (25 November -10 December) of opportunity in communities for intense awareness-making and education to reduce levels of women and child abuse. Catalytic Events includes the Launch of the 16 Days Campaign, World Aids Day and the International Day for People with Disabilities.

The objectives of the 16 days of Activism Campaign Against Women and Child Abuse are to change behaviour through public awareness & education on the rights of people living with HIV/AIDS and those who are HIV positive; to generate awareness to 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; to create awareness around the link between HIV/AIDS and gender-based violence. Approximately 3300 persons are reached through the 16 Days of activism programmes

## WOMEN PROGRAMME

Although Government has made significant progress in empowering women in the political, public and educational spheres, the marginalization of poor women severely compromises progress. Women development programmes are implemented in partnership with various stakeholders during August (Women's Month) and throughout the financial year.

Various Women's programmes across the district were supported NGO's such as Droehoek en Bo-Swaarmoed, CAB De Doorns, Craig Angel Foundation, Empowerment of girls only, Witzenberg Abuse Crisis, Brand Media house of Zwelethemba, Evangelistic Gospel outreach Ministries Ahmaric Community Development. The women were motivated to overcome challenges in their lives and to be proud of who they are. One thousand and sixty (1060) were reached through this programme.



Cape Winelands District Municipality in partnership with National Department of Arts and Culture, National Department of Women, Provincial Premiers Office, Drakenstein Municipality and other role players hosted successfully a National Women's Day Event on the 9<sup>th</sup> of August 2018. The event was held at Mbekweni Rugby Sport stadium in Paarl. The event was attended by approximately 8000 people. The purpose of the event is to recognize the role played by women of South Africa to remember the march by more than 20 000 women to the Union buildings in 1956.

### Human Trafficking Awareness programme

The human trafficking workshop was organized by Cape Winelands District Municipality and the facilitation was done by Local Government. The workshop was done on the 22 March 2019 in Wellington and another one was done in Kylemore on Tuesday the 26 March 2019. The human trafficking was well received by all the communities as it really was an eye opener. It teaches not only women and children are being taken it also involves babies and young children. The workshop was so informative and there was a follow up.

These two sessions will need a follow up workshop with farm workers and more children. We are planning to rollout more on youth month and after hours for people who are working late. We also supported with transport and morning coffee. There are recommendations by the local government of need to informing high school learners as they are the easily targets because they are being offered jobs overseas and all your travelling are paid. A motivational programme of Worcester House of Hope for women was supported. The radio personality, Martelize Brink, was the guest speaker. She is wheelchair bound and shared her journey as a woman in a wheelchair with the women. The women were motivated to overcome challenges in their lives and to be proud of who they are. Two-hundred and fifty (250) women were reached through this programme.

## YOUTH PROGRAMME

Young people are at the heart of the future of South Africa and they are facing 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 youth with life skills, job readiness, entrepreneurial skills and career guidance.

### Grade 10-12 Support Project

Activities like career exhibitions, Matric Motivation programmes and Spring-school programmes were supported to enhance opportunities for Grade 10 - 12 Learners. Thirty-four (28) Secondary schools and three hundred and sixty (3360) learners from across the district were afforded the opportunity to participated in Career Exhibitions. Through the Career Exhibitions they gained information to make appropriate career choices. This programme was implemented in partnership with Department of Education, Tertiary institutions and Financial study aid institutions.

### Grade 12 Top Achievers



The Grade 12 Top Achievers annually event was held on Thursday 10, January 2019. The event was held at the Stellenbosch Town Hall. The Cape Winelands District Municipality host this event with partnership with the Department of Education. The event started with the registration at 17h30. We had more than 300 people who attended the event. We had learners with their parents from all the schools in our region. The program director was

Dr. Wilson from education department. He handed over to the Portfolio Councillor for Youth of Stellenbosch municipality Councillor Manie Pietersen to welcome all the guests.

The event celebrates the top matriculant at each school in the CWDM and is held annually to recognize not only the hard work and dedication of the top student, but also that of their educators and parents. Dr. Brian Wilson, Head: Curriculum at the Western Cape Education Department in the Cape Winelands District (CWD) stated, "There is more to success than just learning the schoolwork. Learners need support and encouragement too, and this they receive from their parents and educators." He went on to mention that the CWD is home to five of the top 20 schools in the country and can boast that the top students for accountancy and physics call the Cape Winelands home.

### **Youth Month Project**

Cape Winelands District Municipality believe that there is great benefit in celebrating and investing in young people by creating pathways for accelerated development. One thousand three hundred and ten (1310) Youth from across the district participated in Youth Month programmes in June 2019. Organizations such as Congress of the Ex-offenders in South Africa, Cab-De Doorns, Koinonia of Drakenstein, Wellington Community Police Forum were supported during youth month.

Through an agreement entered into by the Cape Winelands District Municipality (CWDM) and the organisation Landesverband Kinder- und Jugendholungszentren Sachsen-Anhalt e.V. Kieze, ([www.kieze.com](http://www.kieze.com)), known as KIEZ in Germany, 24 learners from the Cape Winelands district have been afforded the opportunity to attend an educational youth camps in Germany during July of 2018 and 19.

This agreement wishes to encourage tolerance between cultures, develop leadership, broaden learner's vision and expand their responsibility to their immediate environment and the world.

The main objective of the host organisation is to provide children and adolescents from all over the world with opportunities for the development of leadership skills through education, active recreation and meaningful leisure activities. Another goal is to raise public consciousness about and improving the living conditions of children and adolescents. Personal qualities such as tolerance, communication and community building are promoted among the target groups, regardless of their ethnic and national origin, gender, denominational bond and political attitudes.

The young men and women chosen for the tour were identified by their schools. The project follows a three-way approach, in that the learner, KIEZ and the district municipality, fund it. Thus creating a partnership from the outset. This project is in line with the municipality's vision of building a sustainable economy for the future.



## COMPONENT E: SPORTS AND RECREATION

### SPORTS AND RECREATION PROGRAMME

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

#### Sports and Cultural Events Funding Programme

Funding was provided to support sports and cultural organisations in implementing mass participation sports and cultural events. The funding maximized the participation of healthy lifestyles impact of community organisations across the Cape Winelands Municipal district. This programme also enhanced 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 sport and cultural programmes. 2018/19 financial year benefited 60 organisations through this programme.

#### Business Against Crime Tournament

CWDM in partnership with Breede Valley Municipality, SAPS Department of Education, De Jagers Outfitters and other local businesses joined hands in the fight against crime that is consuming the Youth of today. Rugby and Netball tournaments were implemented as an alternative recreational programme where learners of gang infested areas could participate in a safe environment. Learners of Hexvalley Secondary School; Esselenpark Secondary School, Worcester Secondary School and Breeriver High School participated weekly in these tournaments. These tournaments culminated in the finals at Boland Park, Worcester on 8 September 2018. The day started with a march through the gang infested areas of Worcester to express the anti-crime messages. Boland Rugby and clubs use these tournaments to scout talented players. Approximately 800 learners participated in the activities of the final tournaments. The business against crime tournament winners 2018/2019 was Esselen Park High from Worcester.

#### Cape Winelands Sports Awards

The Cape Winelands Sports Awards Ceremony is annually held in partnership with Dept. of Sports, Arts and Culture, Boland Sports Council and Federations. At this ceremony persons who have achieved exceptional achievements in the various sports codes are honoured. This prestige event is attended by 350 guests which include dignitaries and nominees of the various sport codes. Cape Winelands district municipality through the 17.3 J list 2018/2019 supported 60 Clubs and sport federations such as Cape Winelands Sport council to host its annual Sport Awards which was held in Drakenstein at Mistico on the 10<sup>th</sup> of August 2018.



The purpose of these sport awards is to celebrate the achievements of athletes for contribution to sport for the year 2018. The event was well planned and we received great support and attendance from members of federations and other guests. The inspiring event was hosted by Cape Winelands Sport Council, the Department of Cultural Affairs and Sport, in partnership with Department of Cultural Affairs and Sport and Cape Winelands District Municipality.

### **Vlakkie Cricket**

Vlakkie Cricket programmes provide opportunities for vulnerable groups in communities to participate in mass sport in the wider community of the Cape Winelands region. That change the social cohesion amongst communities and it allow so many youngsters, families. Men and women to participate in attend to be active and to make the communities a better place to live.

The Vlakkie Cricket event was initiated by the Cape Winelands Sport Council in conjunction with the Cape Winelands District Municipality. Various sportsmen and women showcase their talent during this community program. The Purpose of the CWDM and CWSC is to give the community the opportunity to get involved in community sport and, must be given equal and fair opportunities to play sport and not be disadvantaged because of where they stay. The Vlakkie Cricket Tournament/ Finals was held on the 26<sup>th</sup> of May 2019 at Jamestown sport ground in Stellenbosch.

### **Dominoes and Tug-of-War Tournaments**

Dominoes and Tug-of War Tournaments were held in Saron Drankenstein area. The purpose of the tournament was to provide an opportunity for the respective farming communities to participate in sports and to socialize.



These programme promotes social cohesion and strengthen relations between farmers and farm workers. Approximately four hundred and fifty (450) Persons were reached through this programme.

### **Easter Tournaments**

Cape Winelands District Municipality implemented various Easter Tournaments in partnership with various Rugby, Netball, Vlakkie Cricket and Soccer clubs. The tournaments were held in Witzenberg, Stellenbosch, Drakenstein and Breede Valley which formed the highlight on the social calendar of people in the rural areas. Vlakkie Cricket. These tournaments enhance social cohesion and aim to address crime in the respective communities. Winning teams received trophies and medals. Cape Winelands District Municipality provided transport, trophies, medals and catering for the following Rugby Clubs: De Rugby 4 all hosted an Easter Tournament from the 19<sup>th</sup> – the 22<sup>nd</sup> of April 2019 at Boland Rugby stadium sport ground Worcester. Worcester Perseverance Rugby club hosted an Easter Tournament at Esselen Park Stadium from the 19<sup>th</sup> to the 22<sup>nd</sup> of April 2019. Simondium Rugby Club hosted an Easter Tournament on the 19<sup>th</sup> of April 2019 at Simondium sport ground in Drakenstein.

Approximately 2000 people took part in these Easter tournaments across the district.

### **Drama Festival**

The Cape Winelands Drama Festival is a drama development programme of the Western Cape Government's Department of Cultural Affairs and Sport and is presented in partnership with the Cape Winelands District Municipality's Department of Community Development and Planning Services. This programme has been particularly successful in the CWDM, as partnerships were also forged with Stellenbosch Municipality, Langeberg Municipality and Breede Valley Municipality, as well as with professional artists, tertiary institutions and the private sector. This facilitated the growth of the drama programme at various levels and provided the youth with opportunities to learn from and be guided by professionals in the field. A Cape Winelands Drama festival was implemented to where various groups competed for the best drama performance.



The festival process for the DCAS festival in partnership with Cape Winelands district municipality has not only shown great success since its implementation but the biggest success has been the growth and elevation of theatre standards in these communities. The new approaches utilised to develop the groups during the initial training have thus resulted in productions of an exceptional calibre being presented.



All the groups selected to continue to the next round would be developed further in an attempt to elevate their current skills while ensuring that these emerging artists present productions based on the professional requirements and fundamentals of theatre. The adjudicators feedback of these artists' showcases was presented to them by these theatre professionals to assist these groups with their productions. These developed productions would then be presented at a Finale showcase to select the most improved and developed production that will be presented at professional festivals.

The collaboration with Cape Winelands District municipality ensured the successful presentation of the adjudication showcase. The drama festival finale was hosted in Witzenberg town hall on the 16<sup>th</sup> of February 2019. Approximately 450 people took part in this event

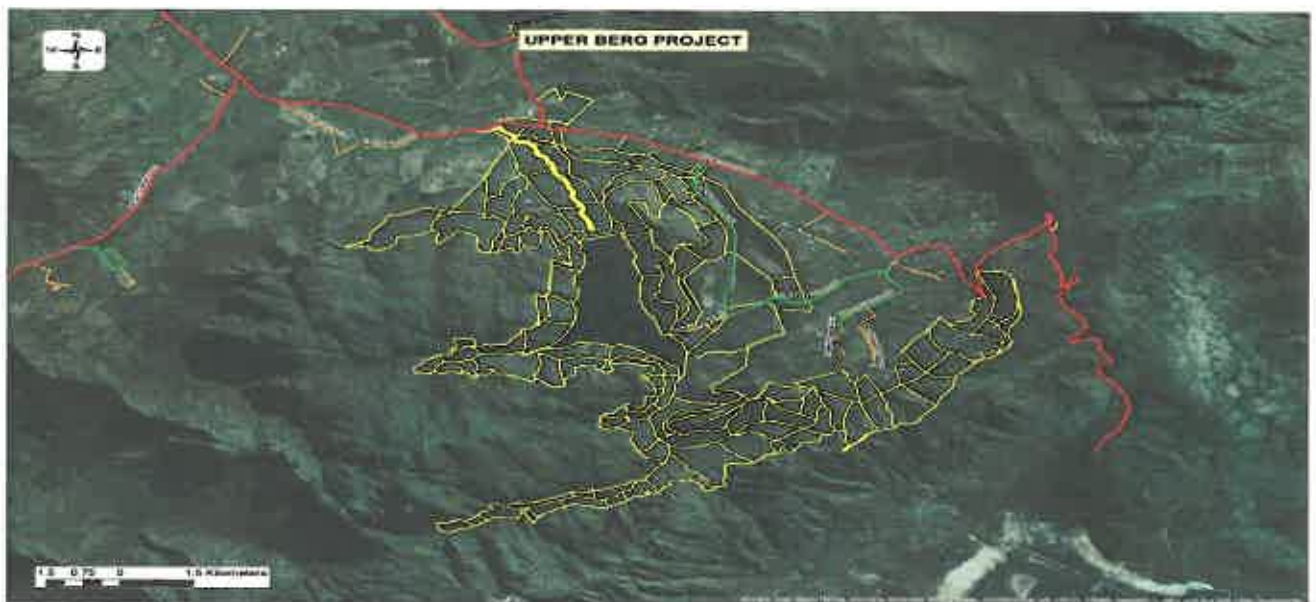
#CWDMONTheMove



**DIVISION: SPATIAL PLANNING****Natural Resource Management Programmes and Training**

- Cape Winelands Invasive Alien Vegetation Management Programme
- River Rehabilitation Programme

These programmes as implemented in the Berg river and Breede river catchments are underpinned by the Expanded Public Works Programme in particular the Environmental Sector.



Example of site plans in river catchments

Thirty-four (34) sites/contracts were awarded and cleared allowing for;

- Work opportunities created: ±18129
- Hectares cleared: ±3212.68

**CAPE WINELANDS BIOSPHERE RESERVE (CWBR)**

The CWDM fulfils a secretariat role for the CWBR, which is a sustainable development initiative. The CWBR implements projects pertaining to the three functions of the biosphere reserve concept, which is:

- A **conservation function** – to contribute to the conservation of landscapes, ecosystems, species and genetic variation;



*Example of projects: Awareness raising through facilitated hikes and talks at schools.*

- A **development function** – to foster economic and human development which is socio-culturally and ecologically sustainable; and



*Before: Previous ECD structure.*

*After: New formal ECD structure.*

- A **logistics function** – to provide support for research, monitoring, education and information exchange related to local, national and global issues of conservation and development.



The CWBR is dually a platform that enables cooperative governance where all spheres of government take part in the national Man and the Biosphere Programme as well as private initiatives.

*Logistical support of Invasive Alien Vegetation removal by using*

*'drones' in the planning and monitoring phase.*

**COMPONENT F: MUNICIPAL HEALTH SERVICES****Water and Sanitation Subsidy Scheme**

This is an innovative programme implemented within the Municipal Health Services Division, which has attracted national commendation. The subsidy scheme serves as an incentive to farmers for improving the water and sanitation services provided to farm workers.

The 2018/2019 budget for this project was R 1 000 000. Subsidies to a maximum of R 45,000 per annum is provided per farm for this purpose. Education in the form of health guidance is also provided to the beneficiary communities. Subsidies are provided for the following:

- Running water over kitchen sinks; and
- Bathrooms with flush toilets in houses.

During the 2018/2019 a total of 52 properties were serviced through this project.

- Subsidies were paid to 16 farms where water and sanitation upgrades were done.
- Health and Hygiene education were conducted at 35 properties.
- Direct (Hot Spot) interventions were implemented on 8 properties.

Hot Spot interventions were implemented at the following properties.

- Smithfield - Drakenstein
- Moreson – Langeberg
- Boschrivier – langeberg
- Leiplolt Avenue – Worcester
- Arendse Street – Worcester
- Rhebokskloof – Langeberg
- Rooi Heuwel – Drakenstein
- Ruigtevlei - Drakenstein

**ANNUAL ENVIRONMENTAL HEALTH EDUCATION PROGRAMME**

This project aims to create environmental awareness amongst the communities of the CWDM in order to change negative behavioural patterns. This is done through live theatre performances in schools, the development of educational material and formal health education at industries/businesses and organisations.

During the 2018/2019 financial year, this program reached a total of 60 schools and approximately 21 676 children with a budget of R 445 537.

**FLY NUISANCE: KLEIN DRAKENSTEIN, PAARL**

Since April 2018 the CWDM has been inundated with complaints about a fly nuisance in the areas surrounding Rosendal Poultry Farm, Klein Drakenstein, Paarl.



A notice was issued to the premises ordering them to address and eliminate the fly nuisance. Noncompliance with this notice resulted in a summons being served on the property and subsequently an admission of guilt fine was paid by the perpetrators.

As to be expected the problem abated in the winter but as soon as the temperatures increased the fly nuisance returned and the CWDM once again received a new wave of complaints.

Meetings were held with the affected parties on 2 occasions and several inspections were conducted on the premises. This resulted in another notice being issued to the company in terms of the Municipal Health Bylaws of the Cape Winelands District Municipality.

Despite several interventions being implemented by the company on the property in order to address the problem the fly nuisance did not abate.

The CWDM had no choice but to register a formal case with Local Magistrate Court for the reported violations in terms of the Bylaws. All supporting documents and evidence have been submitted to the public prosecutor and is currently being considered by the prosecutor for possible prosecution.

#### **STOP FLY INFESTATION CAMPAIGN:**



The Communications and Municipal Health Services divisions did a combined Radio Show on the role of Environmental Health Practitioners in the community. During the show instructions were provided on how to build a flycatcher. This proved so popular that it was decided to include an awareness campaign on Fly Invasion prevention throughout the district.

The aim of the campaign was to educate and sensitise communities to address fly infestations in and around the house through hygiene practices and the making of their own fly catchers. Communication included a combination of

traditional, on-line and social media as well as pamphlet distribution to schools with the assistance of EHP's.

The campaign included schools, social and traditional media as this campaign coincided with the Western Cape Government's: Cape Winelands Health District's Diarrhoea season Stop Flies pamphlets were distributed in high risk areas.

The campaign included the following actions:

- Publications in local newspapers.
- A video recording where Mayor and EHP (Melissa Kafaar) demonstrate how to make a fly catcher. The video clip was published on all social media platforms. (see attached).
- Training was given to Community Care Workers at Huis Mc Crone in Wellington, Brewelskloof Hospital, Worcester as well as CCW in the Breede River area at Breede River Hospice in Robertson to supplement the distribution of flycatcher pamphlets in the communities.

Training was aimed at equipping Community Health Workers with the necessary knowledge in order for them to provide training to community members with additional information and answers whilst they are distributing the Stop Flies Pamphlet in the communities.

The information provided on the Stop Flies Pamphlet was discussed and the session ended with a demonstration on how to build a fly catcher.

The fly pamphlets and step by step guide were placed on all social media platforms including Facebook, Instagram, Imbizo and the Grapevine.

## **ONGOING CONCERNS**

### **“KLIPVLAKTE”- INDUSTRIAL EFFLUENT: SOLAMOYO PROCESSING COMPANY (PTY) LTD (KWV, DISTILLERS & BRENO-KEM): PROGRESS UPDATE:**

Following an overwhelming chorus of complaints from residents in the Aan De Doorns area during July 2018 about perpetual odours from the Solamoyo Industrial Waste Effluent Treatment Plant situated on the above site and subsequent investigations, sourcing of certified statements from a multitude of complainants who expressed the willingness to testify in a court of law about their well-being being adversely affected due to exposure to the unpleasant odours.

Compliance notices in terms of section 83 of the National Health Act, 2003 (Act 61 of 2003) dated the 27 September 2018 were served on four industries. These companies subsequently exercised their rights to submit written appeals which was received on 11 & 12 October 2018. The Executive Mayor as the appeals authority in terms of the National Health Act, interrogated and adjudicated these appeals, and appeal outcomes dated the 26 & 27 November 2018 were communicated to the respective industries.

After due consideration by the Executive Mayor the compliance date of the 31st January 2019 were revised. Based on the appeal outcome revised compliance notices dated the 5 December 2018 were served on the industries, directing them to submit written action plans before the 28th February 2019. Action plans must contain details about immediate measures to be implemented before 30 April 2019 and long-term measures by 30 April 2020.

Such action plans were received from all four industries prior to the compliance date of 28 February 2019 despite threats by these companies to take the matter under judicial review.

Industries requested a meeting with the CWDM to present their respective action plans which was convened on the 19th March 2019 with the Municipal Manager, Mr Prins, present.

Despite some the industries having had issues with the attainment of the long-term measures compliance date of 30 April 2020, the prevention of pool forming on the site when it rains and the characteristic smell of the effluent, the actions plans does attest to measures and the accompanying capital investments on their part of approximately R150-153 million to find a long-term solution to the problem.

It was finally agreed that Solamoyo, Distell and Brenno-chem will go back and revisit their action plans regarding the disputed issues of the prevention of pool forming on site (Solamoyo) and the indication of a completion date for the construction of mitigation infrastructure (Distell & Brenno-chem) respectively, for submission to the CWDM by the 30 April 2019, upon which further revised compliance notices will be issues which essentially contain the undertakings made in the respective action plans, thus making it binding.

NB. It must be stated with concern, that the existence of this industrial operation with its odour problems and the "Trans-hex" Residential Development on the same site will eventually come to a head.

#### **AIR QUALITY: SECTION 21 LISTED ACTIVITIES – ATMOSPHERIC EMISSION LICENSING**

During the reporting period inspections were conducted at all listed activities to monitor compliance with Atmospheric Emission License (AEL) conditions and complaints followed up on operations at these facilities. CWDM conducted one AEL renewal and administratively amended certain aspects of the AELs to accommodate equipment changes.

Meetings and site visits which included the local AQO's, DEA&DP, AEL holders and the CWDM were conducted at listed activities to provide assistance with proposed process changes and at new facilities that would require an AEL to operate. Inspections were performed at facilities to determine whether the operating processes required them to apply for an AEL.

Integrated environmental authorisation process for industries whom applied for an AEL was followed and provisional comment on air quality management was given for the following:

- Comments on the Draft Scoping Report for the proposed development of a crematorium on Erf 11466, Wellington.
- Comments on a Draft Basic Assessment Report for the proposed Bonnievale Abattoir upgrade which included the enlargement of the animal matter rendering plant on Erf 1229 & 2958 in Bonnievale.

## COMPONENT G: ENVIROMENTAL PROTECTION

### AIR QUALITY MANAGEMENT

The Cape Winelands District Municipal air quality management legislative functions resides under the Directorate: Community and Development Services, within the Division Municipal Health Services (MHS).

#### 1.1 2<sup>nd</sup> Generation CWDM Air Quality Management Plan

The CWDM's 2<sup>nd</sup> 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 2<sup>nd</sup> Generation AQMP.

The identified goals and targets within the CWDM 2<sup>nd</sup> Generation AQMP was presented and discussed at a Council Policy Workshop on 25 October 2018 to ensure a good understanding of the CWDM AQMP action plan with allocated timeframes for implementation and the implementation indicators.

The CWDM assisted the B- authorities within its jurisdiction with the formulation of their AQMP's. All the local authority councils had adopted AQMP's and have designated air quality officers. These authorities are in the process of reviewing their AQMP's and the CWDM is providing inputs and assistance as required by them.

#### 1.2 Air Quality Training

Air Quality Officer and/or CWDM officials attended the following training/workshops:-

- Department of Environmental Affairs and Development Planning (DEA&DP) - Training on Emission Inventory Management, requirements for emission monitoring reports and abatement technology available to assist air quality officers in local municipalities - August 2018
- NACA Workshop "Decisions, solutions and challenges in Air Quality Management" - August 2018
- NACA Workshop "Odour emissions: case studies, challenges and successes" - February 2019

- Department Environmental Affairs (DEA) - National Atmospheric Emissions Inventory System Refresher Training - March 2019
- NACA Workshop Green House Gas Reporting Regulations and the new Carbon Tax - April 2019
- DEADP & Bavarian Environment Agency - Climate Friendly Refrigeration and Air Conditioning Technical Workshop – June 2019

### 1.3 Air Quality Monitoring

As part of the Western Cape Ambient Air Quality Monitoring Network within the province the department of Environmental Affairs and Development Planning, Directorate Air Quality Management (DEA&DP D: AQM) established three ambient air quality monitoring stations within the CWDM.

CWDM officials assist DEA&DP D:AQM in monitoring activities and perform minor maintenance tasks at these stations.

**(Table 1: Ambient Air Monitoring Stations in CWDM)**

LOCATION	POLLUTANTS MONITORED	STATUS
Meirings Park Electrical Substation, Worcester	SO <sub>2</sub> , O <sub>3</sub> , NO <sub>X</sub> , CO, PM <sub>10</sub> , H <sub>2</sub> S and full meteorological parameters	Operational
CWDM Office, Dorp Street Stellenbosch	SO <sub>2</sub> , O <sub>3</sub> , NO <sub>X</sub> , CO, CO <sub>2</sub> , PM <sub>10</sub> & 2.5, VOC's(BTEX) and full meteorological parameters	Operational
Traffic Department, van Riebeeck Rd Paarl	SO <sub>2</sub> , O <sub>3</sub> , NO <sub>X</sub> , CO and full meteorological parameters	Operational

The National Ambient Air Quality Standards and any associated targets have been implemented, enforced and reported on by listed activities and controlled emitters within the CWDM. Ambient air

quality monitoring results suggest that the CWDM industries is generally in compliance with the National ambient air quality standards.

#### **1.4 Air Quality Forum / Industry Working Groups**

All facilities dealing with Section 21 listed activities and Section 23 activities are members of the CWDM Industrial Air Quality Forum. The CWDM has a good working relationship with these facilities to ensure their compliance to requirements set for air quality management to ensure these industries do not impact negatively on the health and wellbeing of receptor communities. The CWDM kept these members updated on new and amended air quality management legislation.

All members of CWDM Industrial Air Quality Forum attended the DEA NAEIS refresher training in March 2019. The CWDM assisted industries with the completion of the NAEIS reports. All industries within the CWDM submitted their reports before the 31 March 2019 deadline.

CWDM successfully partook in AQM information sharing on National and Provincial level with regards to the following:

- Input into new or amended legislation under NEMA and its SEMA's.
- Governance Lekgotla in Kimberley.
- Quarterly and Special Western Cape AQO Forum Meetings
- Environmental Authorisations (input on air quality management)

The CWDM air quality officer was elected to serve as a member of the Working Group III Task Team to ensure priorities identified for implementation Provincial Western Cape AQMP.

#### **1.5 Emissions Inventory**

All the Section 21 listed activities and Section 23 controlled emitters operating within the district are included in a comprehensive CWDM data base in Table 2 and 3.

Please note that In terms of Section 36(5)(d) of Air Quality Act the Department Environmental Affairs (DEA) are the licensing authority for the waste incinerator in operation at Drakenstein Correctional Services as indicated in Table 4.

(Table 2: Listed Activities in CWDM)

NAME	SOURCE	LISTED ACTIVITY	MONITORED POLLUTANTS	PROCESS POLLUTANTS
DE HOOP STEENWERWE (PTY) LTD De Hoop Steenpad, Paarl	Continuous Tunnel Kiln - Clay Brick Manufacturer	Sub-Category 5.9: Ceramic Brick Production	<ul style="list-style-type: none"> <li>Dust fall</li> <li>Particulate Matter</li> <li>Sulphur Dioxide</li> <li>Hydrogen Fluorides</li> </ul>	<p>PM - Dust &amp; Stack Emissions</p> <p>SO<sub>2</sub> &amp; HF- Coal &amp; HFO fired kilns</p> <p>NO<sub>2</sub> - Fuel combustion in vehicles</p>
WESTERN CAPE PROVINCIAL VETERINARY LABORATORY Helshoogte Road, Sellenbosch	Incineration of Animal Carcasses and Veterinary Waste	Sub-Category 8.2: Crematoria and Veterinary Waste Incineration	<ul style="list-style-type: none"> <li>Particulate Matter</li> <li>Carbon Monoxide</li> <li>Oxides of Nitrogen</li> </ul>	PM, CO & NO <sub>x</sub> - Stack Emissions
CAPE LIME (PTY) LTD LANGVLEI Route 60, Robertson	Production of Hydrated Dolomitic Lime Dolomite Crushing/ Calcining limestone in Vertical Kiln/ Lime Hydrating	Subcategory 5.6: Lime Production	<ul style="list-style-type: none"> <li>Dust fall</li> <li>Particulate Matter</li> <li>Sulphur Dioxide</li> <li>Oxide of Nitrogen</li> </ul>	<p>PM - Dust &amp; Stack Emissions</p> <p>SO<sub>2</sub> &amp; NO<sub>x</sub> - Coal &amp; HFO fired kilns</p> <p>NO<sub>2</sub> - Fuel combustion in vehicles</p>

<p>RCL FOODS (PTY) LTD</p> <p>McAllister Road, Worcester</p>	<p><b>Animal Matter Processing Plant</b></p>	<p><b>Category 10: Animal Matter Processing</b></p>	<ul style="list-style-type: none"> <li>• <b>Hydrogen Sulphide</b></li> </ul> <p>(No emission standards for Category 10 facilities)</p>	<p><b>H<sub>2</sub>S – Self-regulating Stack Monitoring</b></p>
<p>RHEINMETALL DENEL MUNITION (PTY) LTD WELLINGTON</p> <p>Road, Wellington Upper Hermon</p>	<p><b>Manufacture of military propellants, high explosives and pyro - techniques</b></p>	<p><b>Subcategory 7.2: Production of acids</b></p> <p><b>Subcategory 8.3: Burning Grounds</b></p>	<ul style="list-style-type: none"> <li>• <b>Dust fall</b></li> <li>• <b>Sulphur dioxide</b></li> <li>• <b>Sulphuric acid mist and sulphur trioxide expressed as SO<sub>3</sub>)</b></li> <li>• <b>Oxides of nitrogen</b></li> </ul>	<p><b>PM - Burning Grounds and Stack emissions</b></p> <p><b>SO<sub>2</sub> - Burning Grounds and Stack emissions</b></p> <p><b>SO<sub>3</sub> - Stack emissions</b></p> <p><b>NO<sub>x</sub> expressed as NO<sub>2</sub> - Stack emissions</b></p>



NAME	SOURCE	LISTED ACTIVITY	MONITORED POLLUTANTS	PROCESS POLLUTANTS
BOLAND BRICKS (PTY) LTD Contractor Road, Paarl	Clamp Kilns – Clay Brick Manufacturer	Sub- Category 5.3: Clamp Kilns for Brick Production	• Dust fall (Sulphur Dioxide)	PM - Dust SO <sub>2</sub> - Coal fired kilns NO <sub>2</sub> - Fuel combustion in vehicles
CABRICO (PTY) LTD Bottelary Road, Koelenhof				
MCMILLAN BRICKS (PTY) LTD R45, Paarl				
NUWEJAARSRIEVER LANDGOED T/A PAARL BRICKFIELDS (PTY) LTD Old Simondium Road, Paarl				
NAUDE BAKSTENE CC Onderplaas 633 Olifantsberg, Worcester				
WORCESTER BAKSTENE (PTY) LTD Matjieskloof Farm, R43, Worcester				
TWOHILL COMPANY (PTY) LTD T/A TULBAGH BRICKS Slagterspad, Tulbagh				

<p><b>DRAKENSTEIN CREMATORIUM</b></p> <p>11 Watt Street, Paarl</p>	<p><b>Human Cremator</b></p>	<p><b>Sub- Category 8.2:</b></p> <p><b>Crematoria and Veterinary Waste Incineration</b></p>	<ul style="list-style-type: none"> <li>• <b>Particulate Matter</b></li> <li>• <b>Carbon Monoxide</b></li> <li>• <b>Oxides of Nitrogen</b></li> <li>• <b>Mercury</b></li> </ul>	<p><b>PM - Fugitive Dust &amp; Stack Emissions</b></p> <p><b>CO, NO<sub>x</sub> &amp; Hg - Stack Emissions</b></p>
<p><b>INDEPENDENT CREMATORIUMS SOUTH AFRICA – WORCESTER CREMATORIUM</b></p> <p>Kerkhof Street, Worcester</p>	<p><b>Human &amp; Animal Cremator</b></p>			

(Table 3: Controlled emitters in CWDM)

Name	Source	Controlled Emitter	Monitored Pollutants	Process Pollutants
CERES FRUIT JUICES Bon Chretien Street, Ceres	HFO fired boiler  Coal fired boiler	<b>Small Boilers declared as controlled emitters.</b>	<ul style="list-style-type: none"> <li>• <b>Particulate Matter</b> (Emission Standards for small boilers- GN 831 of 01 November 2013)</li> <li>• <b>Sulphur Dioxide</b> (Emission Standards for small boilers- GN 831 of 01 November 2013)</li> </ul>	<b>PM - Stack emissions</b>  <b>SO<sub>2</sub> - Stack emissions</b>
CERES FRUIT PROCESSORS Vos Street, Ceres	Coal fired boilers			
DISTELL Voortrekker Street, Robertson	Coal fired boiler (Mothballed)			
DISTELL 29 Field Street, Worcester	Coal fired boilers			
TIGER BRANDS LANGE BERG AND ASHTON FOODS 41 Main Road, Ashton	Coal fired boilers			

(Table 4: Listed Activities Managed By DEA in CWDM)

Name	Source	Listed Activity	Monitored Pollutants	Process Pollutants
DRAKENSTEIN CORRECTIONAL FACILITY R301, Paarl	Incinerator for abattoir waste	Sub-Category 8.2: Crematoria and Veterinary Waste Incineration	<ul style="list-style-type: none"> <li>• Particulate Matter</li> <li>• Carbon Monoxide</li> <li>• Oxides of Nitrogen</li> </ul> (Emission Standards- GN 893 22 November 2013)	PM, CO & NO <sub>x</sub> - Stack Emissions

## 1.6 AIR QUALITY RELATED COMPLAINTS

The CWDM reported on complaints within the district as received by the CWDM. Complaints are captured on the CWDM Municipal Health Services electronic database and dealt with within certain time frames. In addition the CWDM was actively involved in handling complaints and assisting B-Municipalities in this regard.

A contributor to the number of odour complaints can be attributed to Solamoyo Processing Company (Pty) Ltd.

Solamoyo has a license to irrigate effluent from Distell, KWV and Bren-O-Kem for evaporation on land leased from Breede Valley Municipality. This premises is not considered a listed activity or controlled emitter under the AQA. Administrative action under National Health Act to address Solamoya odour complaints was instituted by the CWDM rectify this health nuisance. Solomoya appeal against rectification order, appeal granted under condition that an action plan to address

odours must be submitted to district end of February 2019 and rectification of nuisance before April 2020.

**(Figure 5: Air Quality Complaints)**

COMPLAINTS	1 JUL-30 SEPT 2018	1 OCT-31 DEC 2018	1 JAN-31 MARCH 2019	1 APR-30 JUNE 2019
Fumes	0	3	0	0
Smoke	2	2	8	2
Dust	2	4	11	3
Burning waste/Tyres	0	0	1	0
Farm land burning	0	1	0	2
Crop spraying	0	0	2	1
Offensive odours	42	10	17	11
<b>TOTAL</b>	<b>46</b>	<b>20</b>	<b>40</b>	<b>19</b>

❖ Note that the noise complaint resonate under the Local Municipalities within the CWDM.

## 1.7 SUCCESSES

- AEL holders and controlled emitters attended the DEA&DP NAEIS refresher training to enable industries to submit their annual emission inventory report as required in terms of the National Atmospheric Emission Reporting Regulations. This training and assistance from the CWDM ensured that all AEL holders within district, submit their annual emissions report from the preceding year into the NAEIS by 31st March 2019.

- The successful intergovernmental working relationship with regards to air quality management that the CWDM has with the respective local municipalities in the district and DEA&DP D: AQM.

## COMPONENT H: SECURITY AND SAFETY

### Revision of Risk Assessment Project

During the 2018/2019 financial year, the CWDMC continued with its multi-year Revision of Risk Assessment project. The aim of this project is to complete risk assessments in each municipality utilising the Ward Based Risk Assessment (WBRA) methodology. This methodology was developed by the CWDMC and fundamentally differs from previous risk assessments in its approach. This methodology is based in the understanding that each wards in the municipal area are not uniform and therefore do not have the same risks. Risk assessments are conducted at the ward level to ensure all risks facing communities are recorded. The data collection process for the WBRA included consultation sessions with relevant local and provincial officials, focus group meetings with the respective Councilors and the Ward Committees as well as community workshops and transect walks.

The Ward Based Risk Assessment process has been successful completed in the Witzenberg Municipality, Langeberg Municipality and Breede Valley Municipality. Witzenberg Municipality's WBRA was reviewed during this financial year. The focus of the 2019/2020 financial year's project is to continue with Drakenstein Municipality because of the number of wards within this municipality.

### TRAINING PROGRAMME:

#### Disaster and Emergency Management Training for School Safety Co-ordinators

Section 44 of the Disaster Management Act, No. 57 of 2002 requires that the Disaster Management Centre must promote disaster management capacity building, training and education in the municipal area. The CWDMC continued to strive in its effort to make schools safer by the roll out of Disaster and Emergency Management training for School Safety Co-ordinators. Five training sessions were held during the 2018/2019 financial year in which 91 school safety co-ordinators were trained. Following the training, the CWDMC assists schools with the development of emergency plans where needed. Disaster Management Officials visits schools for one on one assistance.



**School Safety Co-ordinators who participated in the training**

### **AWARENESS INITIATIVES:**

#### **Gevare deur die oë van 'n kind awareness campaign**

The CWDM continued with the 'Gevare deur die oë van 'n kind' awareness campaign during the 2018/2019 year. The aim of the campaign is to teach Grade 7 learners about hazards and risks that are evident within their communities. Two schools were visited in October 2018 and one school in April 2019, namely Bella Vista Primary, Mooi-Uitsig Primary and Skurweberg Secondary School.

The Disaster Management Officials visit the schools over two days utilising three Life Orientation lessons. During the first lessons, the learners are taught about risks and hazard using examples photographed in their community. The learners are required to identify risks in their school, their homes and in their communities during a group work exercise. The learners participate in risk mapping exercise. In many instances, it is the first time that learners have seen their school and surrounding area on a Google Earth map. The follow up lesson is the opportunity for the Disaster Management Officials to teach learners prevention and preparedness measures for the risks that they have identified.

A drawing competition was held at each school in which learners are required to submit a drawing of a hazard in their community. The three learners from each school, who submitted a drawing illustrating a hazard the best, win a hamper of stationary that can be used during the school year.





Awareness campaigns at Bella Vista Primary and Skurweberg Secondary

### KOEBERG NUCLEAR TRAINING

The Cape Winelands had its first Koeberg Nuclear training facilitated by the City of Cape Town and Eskom in May 2019. The training focused on the specific roles of the local municipalities when it comes to radiation in the Koeberg Emergency Plan. Furthermore, the decontamination and training was in preparation for the Annual Exercise that will take place in the Cape Winelands District Municipality during 2020.



Koeberg Nuclear Training

### SANTAM-SASRIA-CWDM PARTNERSHIP

In June 2019, an agreement was signed between the CWDM, Santam and co-partner Sasria. The intent of the agreement between Santam and Sasria are to assist in risks reduction initiatives within municipalities relating to disaster management and fire services. The Executive Mayors of CWDM and Langeberg Municipality, various Councillors as well as a representative of the Western Cape Disaster Management Centre and representatives of the local municipalities were in attendance to witness the signing ceremony.



**Signing ceremony**

## **DIVISION: FIRE SERVICES**

### **FIRE SEASON**

The fire season has not been the most challenging fire season ever endured but it was still a busy and rough season. The Fire Services responded and attended to more than 1300 fires reported from the 1<sup>st</sup> October 2018 to the 30<sup>th</sup> April 2019.

Although the numbers are not extraordinary on their own, the biggest problem has been the number of simultaneous fires occurring which resulted in the resources available being stretched beyond the limits. Apart from the sheer number of fires, the extreme weather conditions over prolonged periods of time, high temperatures and strong winds also contributed to making suppression operations very difficult. The intensity of the fires was also greatly influenced by the prolonged drought, which when combined with the high temperatures and winds, resulted in areas which rarely burn becoming tinder dry.

Firefighting personnel and equipment from various agencies have been tested and stretched to the limit on numerous occasions and full Incident Command teams were deployed to manage a number of the operations. A unified command post was established at all the major fires to ensure the safety of the fire crews, to manage and coordinate the incident action plans.

The high number of fires and especially the major and devastating fires could only be attended to in many instances with the assistance of the Local Municipalities, Cape Nature, members of Fire Protection Association, contracted ground veld fire crews and aerial firefighting support.

The most devastating and destructive fires were in the vicinity of the Koue Bokkeveld, Witzenberg, Tulbagh, Stormsvlei, Paarl mountain, Remhoogte/Simonsberg and Franschhoek. The majority of the other larger fires were brought under control and extinguished within a period of two days.

The extent of the areas of vegetation burned amounts to more than 50 000 hectares. Aerial resources were called out on 35 occasions. The total cost to Cape Winelands for the use of Aerial support and ground veld fire crews amounts to more than R13 million. PGWC also assisted Cape Winelands by providing aerial support as initial attack on a number of occasions and also provided a specialized ground firefighting team.

The Incident Command team and fire crews did extremely well to manage the incidents, contain the devastating blazes and avoid catastrophic fires. No serious damage to property was reported and other damages include vineyards, orchards, water pipes, water tanks, fences, etc.

The fire fighters and pilots displayed tremendous dedication, commitment and skills during the fires that ravaged the Cape Winelands over the past season. Were it not for their exceptional work, Cape Winelands would have experienced far greater damage and losses of property and risks to lives.

The Fire Service prides itself on efficient and effective service delivery to the entire community and to comply with our primary goal to eliminate loss of life and reduce property loss.

## **Challenges**

Our inherent biodiversity, changing weather conditions due to the climate change and negligent human behaviour increases the challenges when dealing with fires. The extremely high temperatures that the firefighting personnel are exposed to, makes them prone to dehydration which could lead to heat related illnesses. In addition, the excess hours- normal and overtime that the personnel have to work, further exposes them to physical and mental exhaustion that could make them prone to injuries whilst in the line of duty.

## OUTSTANDING KEY ISSUES

Some of the outstanding key issues from the season are the size and duration of some of the incidents and the associated high costs of suppression.

A lot of the incidents and their expansion into complex and costly suppression operations were as a direct result of a few common denominators. These are as follows:

- Excessively large fuel loads as a result of poorly managed alien clearing operations and poor vegetation management by landowners.
- Inadequate clearance around structures has been repeatedly identified as a major factor in the destruction of homes and other buildings.
- Repetitive deliberate ignitions by members of certain communities.
- Negligence by members of the public and landowners due to open fires during adverse weather conditions. (Hot, dry and windy).
- Extended periods of extreme fire weather i.e. hot, dry and high velocity winds. There were at least three extended heat wave periods during the season.

Another concern is the general lack of adherence to National Legislation by landowners and government institutions, with respect to the National Veld and Forest Fire Act (No 101 of 1998).

## FRANSCHHOEK/MOOIWATER FIRE

The mountain fire that came to be known as **MOOIWATER** – the name the incident commander gave it only because every large fire must have a name – began at mid-afternoon on Monday, February 18, when a vegetation fire was accidentally caused by an unknown person. The fire started in the Mooiwater area in vicinity of the Theewaterskloof dam and progressed into our area on the 19th. Notwithstanding the fact that the fire started and was still burning in the area of Overberg District, the responding Senior Officer immediately activated all available firefighting vehicles, aerial resources as well as contracted ground crews to assist.

Additional resources were also activated (including all available resources from Stellenbosch Municipality) to assist with the suppression operation. A unified Incident Command was established to develop a common set of incident objectives, strategies and to manage the entire operation. As evening came on that "MOOIWATER" blue Monday, the south-easterly wind gathered speed, first merely a faint stirring, then a noticeable current, at last becoming a strong wind fanning the fire to spread rapidly upslope. When Cape Winelands received the call and dispatched three helicopters with heli-buckets as initial attack, the fire was already out of hand. There was already a feeling in our mind about this fire, a sense of urgency and concern.

The fire rapidly spread from the origin, upslope, towards the mountain and Franschhoek Pass due to the extreme weather conditions as well as the dense alien vegetation and Fynbos that predominates on all the land above Theewaterskloof dam. Despite the fire fighters best efforts to contain the fire, a sudden wind shift caused the fire to spread over the Franschhoek Pass and very rapidly spread fanned by strong south-easterly winds. The situation was critical during the night of the 21<sup>st</sup> and early morning hours of the 22<sup>nd</sup> of February and resources were deployed to mainly protect life and property resulting in vehicles leap frogging from farm to farm as the fire front progressed. Accessibility to a number of properties was problematic due to overgrown vegetation (low hanging branches etc.).

Due to the extent of the fire, flanks were contained on different dates, the Franschhoek Bohoek/Assegaaiboskloof area was contained during the evening of 22<sup>nd</sup> of February, the High Noon was declared contained in the late afternoon of the 24<sup>th</sup> of February. Firefighting efforts continued and was ongoing until Monday the 25<sup>th</sup> of February 2019. The remaining ground crews were trooped out of High Noon in anticipation of a potential cold front moving in and the Incident was handed back to normal operations by the IC team and finally declared safe and extinguished on the morning of the 26<sup>th</sup> of February after a good rain have drenched the area.

A number of other resources from numerous other agencies assisted with fire suppression and protection. At various stages there were up to 175 fire fighters assisted by up to 23 fire fighting vehicles and 3 helicopters actively involved with suppression operations. The total cost to Cape Winelands for the use of Aerial support and ground veld firefighting contract crews amounts to more than R 3 000 000.

There was no loss to life or serious injuries, no damage to structural property, but damage to water tanks and irrigation pipes was reported and approximately 3 hectares of vineyards scorched by the fire. A total of 7246 hectares of vegetation burnt. A possible disaster to the community of Franschhoek was prevented by the rapid response and effective fire suppression operations by all agencies involved. The Incident Command team and fire crews did extremely well to manage the incident contain the devastating blaze.

### **Franschhoek Community Assistance**

While the fire fighters were hard at work with their difficult task, members of the Franschhoek community coordinated a project to provide food and refreshments to the fire fighters. The community diligently got involved and generously offered their help. Even individual families contributed in their personal capacity showing their support and appreciation towards the fire fighters doing their challenging jobs under difficult and life threatening circumstances. In this way commendable citizenship and partnership in protecting our resources were demonstrated.

The management of the Fire Services and all other Firefighting Agencies extend their sincere appreciation and gratitude for the selfless assistance offered by the community of Franschhoek, all private companies and community organizations that contributed in providing food and refreshments to the fire fighters. This action of citizen's responsiveness and willingness to help and support is acknowledged with the deepest appreciation and gratitude. Special word of thanks is also extended to the Municipality of Stellenbosch for offering there facilities to the Incident Command team, the Traffic services and the South Africa Police Service for their assistance and support.

### **FIRE AND RESCUE TRAINING ACADEMY**

The Academy is primarily responsible for the professional and continual skills development of fire fighters from the Cape Winelands and our neighboring B-municipalities. Since July 2018 the Cape Winelands Fire and Rescue Training Academy have trained over 450 learners.

Despite our biggest challenge, being the shortage of permanent instructors, we managed to extend the scope of the Training Academy with an additional NFPA Level namely Fire Officer 1, we are awaiting our accreditation on 2 more NFPA Levels, and forged longstanding mutually beneficial professional relationships with but not limited to, the SA Navy, South African Police Service and Astron. Notwithstanding the many challenges that we face, we are committed to providing quality lifelong learning experiences for individuals, the industry and community through innovative customized training to achieve their aspirations.

## **FINANCIAL AND STRATEGIC SUPPORT SERVICES**

### **COMPONENT I : CORPORATE POLICY OFFICES AND OTHER SERVICES**

#### **EXECUTIVE AND COUNCIL**

This component includes: 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 co-operate together towards effective, efficient and economically sustainable development.

##### **Core Values**

The core values of the Cape Winelands District Municipality 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 through its Strategic Plan, which reflects the core values of the Western Cape Government.

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

- 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 Cape Winelands District Municipality takes 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 provides a dedicated and quality support and advisory service in order to strengthen the Cape Winelands District Municipality 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 relation 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 Cape Winelands District Municipality, 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 Cape Winelands District Municipality 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 benefit to the Cape Winelands District Municipality.

The Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) specifically highlights the duty of municipalities to provide services in a manner that is sustainable. The Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) requires municipalities to utilise and maintain their assets in an effective, efficient, economical and transparent manner.

The Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) 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. He also ensures that the District Municipality has and maintains a management, accounting and information system that accounts for the immovable assets of the Cape Winelands District Municipality 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 or 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, etc., relating to immovable assets;
- The systems, procedures and registers required to substantiate 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 to ensure the district municipality's financial resources are optimally 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 pertaining to the financial administration of immovable assets.

### Property Management Impact

The Cape Winelands District Municipality demonstrates 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 relating to municipal property management include:

- Long-term sustainability and risk management;
- Service delivery efficiency and improvement;
- Performance monitoring and accountability;
- Community interaction and transparent processes;
- Priority development of minimum basic services for all; and
- The provision 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 Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000). 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 Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).

Property management at the Cape Winelands District Municipality incorporates best practice methodologies and is aligned to the latest national and provincial legislation such as the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) 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 life-cycle and providing asset visibility through data capturing during the use and disposition phases.

#### **Comment on the Performance of Property Services Overall**

No capital projects.

### **INFORMATION AND COMMUNICATION TECHNOLOGY**

Information and Communication Technology (ICT) forms an integral part of the backbone of the organisation and is essential for critical activities performed by the municipality. As the needs change, so too does the ICT environment in order to maintain its role as a tactical advantage. Below follows an overview of the achievements reached and challenges experienced in this division during the financial year.

#### **IT SYSTEMS AND APPLICATIONS**

##### **• STORAGE AND SERVERS**

Production servers were upgraded to meet the demands of the municipality. Coupled with the purchase, new life has been breathed into redundant computer hardware. The server hardware that was replaced has been repurposed and used in disaster recovery. While the hardware has become redundant it is able to serve as a disaster recover machine because the load carried is within its ability.

- **VEEAM BACKUP AND REPLICATION**

The Veeam Backup and Replication software is used to manage the backups and replication (also known as mirroring) of all servers.

The system allows for disk to disk backup, offsite tape backup as well as production and disaster recovery site replication. In addition, Veeam has significantly reduced the time to backup the environment.

VEEAM is being used to replicate the production servers with the Disaster Recovery Servers.

- **NETWORKING AND SECURITY**

The core cisco switch has been upgraded to meet the needs of the municipality. The replacement was necessary because the item had reached the end of its manufactured useful life.

#### **WAN & LAN**

During this financial year the performance i.r.t the network of all sites has been met and the required performance and has been stable. The through put capability has been designed to meet the current and future demands

- **ANTIVIRUS**

Scheduled weekly scans are performed, where reports are auto generated and sent via email to the Senior Systems Administrator. Notifications for infections and vulnerabilities are received in real time.

- **WINDOWS PATCHING**

Aggressive servers and workstations patching/updating is ongoing.

- **FIREWALL**

Taking into that the firewall device old with constrained capacity when major business activities like windows updates and other user activities are downloaded, a new firewall was purchased. Sophos firewall is the first line of defense against internet security threats and controlling data to the internet. The Sophos firewall integrates multiple security features into a single device to offer better network security.

- **PROJECTS**

- **Disaster Recovery and Business**

- Project Objective**

- Obtain a disaster recovery and business continuity site for ICT services
      - High Availability of IT services through mirroring the live systems to the Disaster Recovery site

- The project was successfully implemented on 29 June 2019.

- An appropriate site was chosen 50 kilometres away. A fiber line connects the primary data centre to the Disaster Recovery site. In the event of a disaster affecting the primary server room, the business will continue from the Disaster Recovery site.

- **WIRELESS WIDE AREA NETWORK (WAN) RE-DESIGN**

- The project started on 26 January 2018 and after several discussions by stakeholders (SCM and BID Evaluation Committee), following Tenders' evaluation, it was unanimously agreed that the tender be cancelled and revised for the next financial year.

- Project Objective**

- Upgrade (re-design) the wireless WAN to provide faster, stable and redundant connectivity for the effective and optimal transmission of information between the head office in Stellenbosch and satellite branches, including depots.
      - Based on the re-evaluation of the project, a different technology set was chosen to achieve the goals of faster, stable and redundant connectivity. We have chosen a combination of wireless and fibre technology to achieve these aims. The project was scaled down to include the head offices in Stellenbosch, Worcester and Paarl only. The project was a success and the newly confirmed technology set will be rolled out in a future project to include satellite branches and depots.

- **REVIEW AND UPDATE OF ICT 5 YEAR STRATEGIC PLAN**

- The project commenced in July 2018, following the appointment of the service provider that could assist the ICT Deputy Director in reviewing and updating the ICT 5 year strategic plan.

- **REVIEW OF THE ICT POLICY FRAMEWORK**

The ICT policy framework was reviewed and is in line with guideless received from the SALGA

- **MOVE TO MOBILITY**

The CWDM has continued its march to a mobility enable workforce. A mobility enabled workforce provides opportunity to increase efficiency and productivity. To achieve the mobility enabled workforce, the following items are required

- Modern firewall that is designed for future of work
- Applications that are accessible through private and public “clouds”
- Devices that enable a mobile work force.

To that end, the Sophos firewall was procured and configured to provide the required security and management of the flowing data. Laptops and tablets have been procured as well. Examples of the intended use are:

- 1) The MHS team will be completing their inspection on tablets providing real time data.
- 2) ICT team can access systems and provide support from any location.

The productivity suit called Office 365 has been procured and rolled out. One of the biggest advantages of Office 365 is the ability to work from anywhere as long as you have an internet connection. Because it's entirely cloud-based, you can access your email, files and Office programs (Word, PowerPoint, Excel) from any location and any device.

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

Organisational development within the Cape Winelands District Municipality (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 seeking to increase effectiveness in terms of the strategic objectives as defined in the Integrated Development Plan 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.

Employee performance management is a vital process of a municipality. Therefore, it is important that performance management principles are integrated into the organisational processes and align within the District Municipality's Integrated Development Plan. Organisational processes such as planning, budgeting, monitoring and evaluation, should be aligned with departmental and employee performances, in order to ensure improved community services and improved quality of life, for all living inside the Cape Winelands district borders. To achieve the aforementioned, the measurements of individual performances within the municipality are important. Organisational Key Performance Indicators (KPIs) are continuously developed, updated and aligned to organisational objectives. The CWDM always attempt to ensure that these KPIs are specific, measurable, achievable, realistic and linked to a specific timeframe (SMART).

During the 2016/17 year, the Cape Winelands District Municipality established an Individual Performance Management Steering Committee guiding the implementation of individual performance management within the organization via an approved Individual Performance Management 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 Project Plan (IPM Project Plan).

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

- (a) Individual Performance Management roll-out - commencing with employees reporting directly to the Municipal Manager and Heads of Departments 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 – ensure effective communication all IPM related matters and assist in addressing all underlying change management initiatives.

In terms of the IPM Project Plan, the implementation of individual performance management was divided into stages. Year 1 (from 01 July 2016 to 30 June 2017) included only managers reporting directly to the Municipal Manager and section 56 Managers and in terms of Year 2 (from 01 July 2017 to 30 June 2018) it should have been further cascaded to employees up to post level T13.

However, due to various organisational and operational challenges it was resolved by Mayco (in September 2017) that the cascading of the implementation of individual performance management be postponed. Operationally, the challenges vary from the stability of the current electronic system being utilized for the implementation of individual performance management to the refinement of organisational and individual KPI's. Thus, the mentioned Individual Performance Management Project Plan was amended accordingly.

For the 2019/2020 financial year, Individual Performance Management will be cascaded, as stipulated in the Individual Performance Management Project Plan to task level T-13. The focus will be on employee efficiency monitoring, in order to ensure that every employee understands how his/her duties and responsibilities link to the achievement of the strategic objectives of the Cape Winelands District Municipality. Quarterly evaluations will be instituted, as stipulated Individual Performance Management policy.



## COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

### 4.1 EMPLOYEE TOTALS, VACANCIES AND TERMINATIONS

#### EMPLOYEE TOTALS

EMPLOYEES					
Description	YEAR -1: 30 JUNE 2018	YEAR 0: 30 JUNE 2019			
	Number of employees	Number of approved posts	Number of employees	Number of vacancies	Vacancies %
Water	0	0	0	0	0%
Waste Water (Sanitation)	0	0	0	0	0%
Electricity	0	0	0	0	0%
Waste Management	0	0	0	0	0%
Housing	4	0	0	0	0%
Waste Water (Storm Water Drainage)	0	0	0	0	0%
Roads	363	212	159	53	25%
Transport	4	3	2	1	33.3%
Planning	1	1	1	0	0%
Local Economic Development	5	4	4	0	20%
Community and Social Services	13	14	12	2	14.28%
Environmental Protection	6	3	0	3	100%
Health	53	53	49	4	7.55%
Public Safety	82	77	59	18	23.37%
Sport and Recreation	0	0	0	0	0%
Corporate Policy Offices and other	133	127	120	27	21.26%
<b>TOTALS</b>	<b>664</b>	<b>494</b>	<b>406</b>	<b>88</b>	<b>17.86%</b>

<b>EMPLOYEES: THE EXECUTIVE AND COUNCIL</b>					
<b>JOB LEVEL</b>	<b>YEAR -1: 30 JUNE 2018</b>	<b>YEAR 0: 30 JUNE 2019</b>			
	<b>Number of employees</b>	<b>Number of posts</b>	<b>Number of employees</b>	<b>Number of vacancies (full-time equivalents)</b>	<b>Vacancies as a % of total posts)</b>
T1 – T3	0	0	0	0	0%
T4 – T8	7	5	5	0	0%
T9 – T13	3	3	3	0	0%
T14 – T17	0	1	0	1	100%
T18 – T19	0	0	0	0	0%
MM & Section 56 employees	4	4	4	0	0%
Councilors	41	41	41	0	0%
<b>TOTAL</b>	<b>55</b>	<b>54</b>	<b>53</b>	<b>1</b>	<b>1.85%</b>

EMPLOYEES: FINANCIAL SERVICES					
JOB LEVEL	YEAR -1: 30 JUNE 2018	YEAR 0: 30 JUNE 2019			
	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	7	6	1	14.29%
T9 – T13	9	10	9	0	0%
T14 – T17	3	4	3	1	25%
T18 – T19	1	1	1	0	0%
<b>TOTAL</b>	<b>19</b>	<b>22</b>	<b>19</b>	<b>2</b>	<b>9.09%</b>
T3.25.6					

EMPLOYEES: HUMAN RESOURCE SERVICES					
JOB LEVEL	YEAR -1: 30 JUNE 2018	YEAR 0: 30 JUNE 2019			
	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	1	1	0	1	100%
T9 – T13	3	6	5	1	16.67%
T14 – T17	1	1	1	0	0%
T18 – T19	1	1	1	0	0%
<b>TOTAL</b>	<b>6</b>	<b>9</b>	<b>7</b>	<b>2</b>	<b>22.22%</b>

EMPLOYEES: ROAD SERVICES					
JOB LEVEL	YEAR -1: 30 JUNE 2018	YEAR 0: 30 JUNE 2019			
	Number of employees	Number of posts	Number of employees	Number of vacancies	Vacancies
				(full-time equivalents)	(as a % of total posts)
T1 – T3	33	57	28	29	50.88%
T4 – T8	115	123	107	16	13%
T9 – T13	19	33	25	8	24.24%
T14 – T17	4	7	7	0	0%
T18 – T19	1	1	1	0	0%
<b>TOTAL</b>	<b>172</b>	<b>221</b>	<b>168</b>	<b>53</b>	<b>23.98%</b>

EMPLOYEES: ICT SERVICES					
JOB LEVEL	YEAR -1: 30 JUNE 2018	YEAR 0: 30 JUNE 2019			
	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	5	4	1	20%
T14 – T17	2	2	2	0	0%
T18 – T19	0	0	0	0	0%
<b>TOTAL</b>	<b>7</b>	<b>8</b>	<b>7</b>	<b>1</b>	<b>12.5%</b>

EMPLOYEES: PLANNING SERVICES					
JOB LEVEL	YEAR -1: 30 JUNE 2018	YEAR 0: 30 JUNE 2019			
	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	0	0	0	0	0%
T14 – T17	1	1	1	0	0%
T18 – T19	0	0	0	0	0%
<b>TOTAL</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0%</b>

EMPLOYEES: LOCAL ECONOMIC DEVELOPMENT SERVICES					
JOB LEVEL	YEAR -1: 30 JUNE 2018	YEAR 0: 30 JUNE 2019			
	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%
<b>TOTAL</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>0%</b>

<b>EMPLOYEES: HEALTH INSPECTION, ETC.</b>					
<b>JOB LEVEL</b>	<b>YEAR -1: 30 JUNE 2018</b>		<b>YEAR 0: 30 JUNE 2019</b>		
	<b>Employees</b>	<b>Posts</b>	<b>Employees</b>	<b>Vacancies (full-time equivalents)</b>	<b>Vacancies (as a % of total posts)</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>%</b>
T1 – T3	0	0	0	0	0%
T4 – T8	0	0	0	0	0%
T9 – T13	40	44	40	4	9.09%
T14 – T17	9	9	9	0	0%
T18 – T19	0	0	0	0	0%
<b>TOTAL</b>	<b>49</b>	<b>53</b>	<b>49</b>	<b>4</b>	<b>7.55%</b>

<b>EMPLOYEES: DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC.</b>					
<b>JOB LEVEL</b>	<b>YEAR -1: 30 JUNE 2018</b>		<b>YEAR 0: 30 JUNE 2019</b>		
	<b>Employees</b>	<b>Posts</b>	<b>Employees</b>	<b>Vacancies (full-time equivalents)</b>	<b>Vacancies (as a % of total posts)</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>%</b>
T1 – T3	0	0	0	0	0%
T4 – T8	0	0	0	0	0%
T9 – T13	3	3	3	0	0%
T14 – T17	1	1	1	0	0%
T18 – T19	0	0	0	0	0%
<b>TOTAL</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>0%</b>

<b>EMPLOYEES: FIRE SERVICES</b>					
<b>JOB LEVEL</b>	<b>YEAR -1: 30 JUNE 2016</b>		<b>YEAR 0: 30 JUNE 2019</b>		
	<b>Employees</b>	<b>Posts</b>	<b>Employees</b>	<b>Vacancies (full-time equivalents)</b>	<b>Vacancies (as a % of total posts)</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>%</b>
Chief Fire Officer and Deputy	2	2	2	0	0%
Other Fire Officers	1	1	1	0	0%
T1 – T3	0	0	0	0	0%
T4 – T8	18	19	18	1	10.53%
T9 – T13	42	53	42	11	11.63%
T14 – T17	0	0	0	0	0%
T18 – T19	0	0	0	0	0%
<b>TOTAL</b>	<b>63</b>	<b>75</b>	<b>63</b>	<b>12</b>	<b>16%</b>

<b>EMPLOYEES: PROPERTY, LEGAL, IDP, PERFORMANCE &amp; RISK MANAGEMENT AND PROCUREMENT SERVICES</b>					
<b>JOB LEVEL</b>	<b>YEAR -1: 30 JUNE 2018</b>	<b>YEAR 0: 30 JUNE 2019</b>			
	<b>Number of employees</b>	<b>Number of posts</b>	<b>Number of employees</b>	<b>Number of vacancies (full-time equivalents)</b>	<b>Vacancies as a % of total posts)</b>
<b>T1 – T3</b>	15	14	14	0	0%
<b>T4 – T8</b>	14	12	12	0	0%
<b>T9 – T13</b>	8	9	8	1	11.11%
<b>T14 – T17</b>	3	3	3	0	0%
<b>T18 – T19</b>	0	1	1	0	0%
<b>TOTAL</b>	<b>40</b>	<b>39</b>	<b>38</b>	<b>1</b>	<b>2.56%</b>



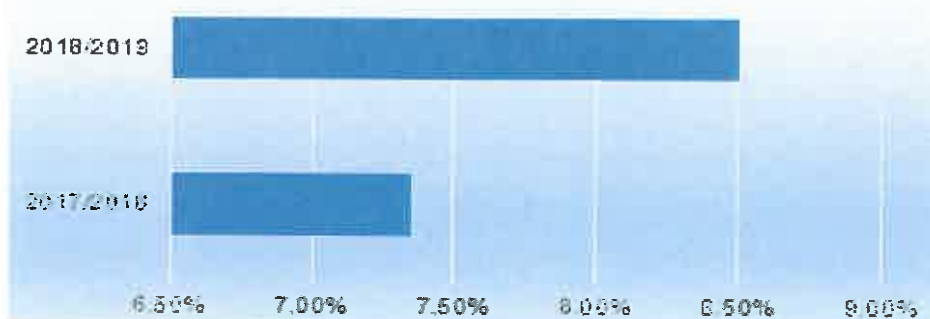
**VACANCIES**

<b>VACANCY RATE: 2018/2019</b>			
<b>Designation</b>	<b>Total Approved Posts</b>	<b>Vacancies (Total time that vacancies exist using full-time equivalents)</b>	<b>Vacancies (as a proportion of total posts in each category)</b>
	<b>No.</b>	<b>No.</b>	<b>%</b>
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	78	15	19.23%
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)	33	2	6.06%
Professionally qualified levels T14 – T17 (finance posts)	6	0	0%

**COMMENT ON VACANCIES AND TURNOVER**

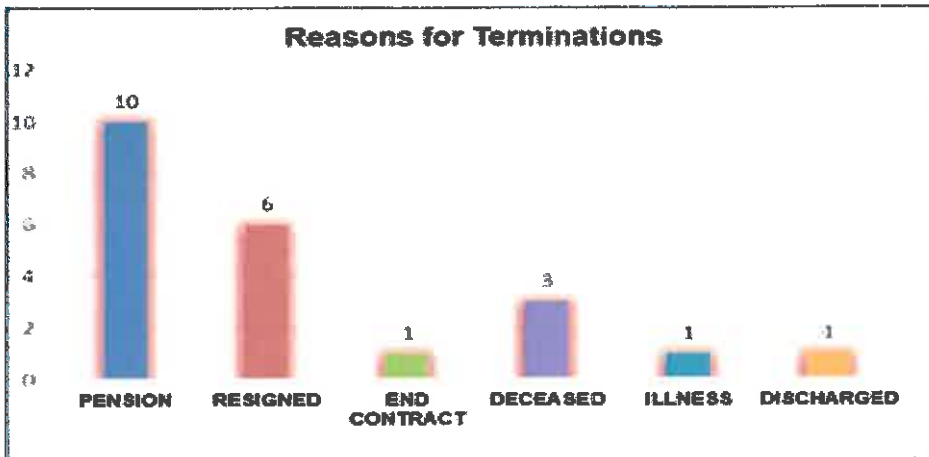
The post of Municipal Manager and all Section 56 posts were filled during the 2018/2019 financial year.

On 30 June 2019 the approved staff establishment of the Cape Winelands District Municipality consisted of a total of four hundred and ninety four (494) posts of which four hundred and six (406) were filled and eighty eight (88) were vacant. Of the total of eighty eight (88) vacancies only forty two (42) were budgeted during the 2018/2019 financial year, resulting in a vacancy rate of 8.5%. The vacancy rate over the past two financial years calculated on budgeted vacancies is best reflected as follows:

**VACANCY RATE**

**TERMINATIONS**

A total of twenty two (22) employees terminated services at the Cape Winelands District Municipality during this period, for the following reasons:



TURN-OVER RATE			
Details	Total Number of Employees as at beginning of Financial Year	Total Number of Terminations for the Financial Year	No.
2017/2018	434	18	4.15%
2018/2019	414	22	5.31%



**COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE****INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT**

The capacitation of municipal officials in the Cape Winelands District Municipality are thoroughly defined in terms of the adopted Education, Training and Development Policy. The implementation of training interventions are informed by the approved 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 Cape Winelands District Municipality. The main purpose of organisational capacitation is to ensure that all objectives, as listed within our Integrated Development Plan (IDP) are realised.

Capacitation of employees within the CWDM takes form through a combination of the following methodologies:

- a. Education (e.g. Study Aid, Learnerships, Apprenticeships)
- b. Training (e.g. Skills Programmes - Municipal Finance Management Programme)
- c. Development (programmes that are aligned to are Talent Management / Succession Planning strategies and Multi-skilling)

The above strategies forms part of the municipality's broader Human Resource Development Strategy and Plans and are underpinned by a combination of theory and practical training. In terms of the mentioned Human Resource Development Strategy and Plans, training and development are further supported by various human resource strategies as indicated below:

- a. Mentoring and Coaching;
- b. Succession Planning, and;
- c. Talent Management (amongst others).

In the 2012/13 financial year, the CWDM embarked on a new vision for training and development, within a broader Human Resource Development scope. The latter focussed on a programme-approach rather than a project-approach.

*Phase 1 (2013-2018)* of this new vision focused on operational training - to ensure that CWDM employees are competent in executing the operational and compliance functions (as per job description and legislation). Training Programmes on Minimum Competency Levels and Machinery Regulations were embarked on. Phase 1 concluded in the 2018/19 financial year.

*Phase 2 (2019 - 2023)*, are two-prong and will ensure maintaining Phase 1. However, the focus will shift to more strategic interventions, laying the foundations of our vision of excellence for sustainable development. Thus, training focus areas will include change management programmes

(thinking out-of-the-box) to ensure the relevance of the municipality, specifically with the onset and implications of the Fourth Industrial Revolution. Training programmes will also focus on softer skills like transformation management, emotional intelligence, relationship management and effective communication, through the creation of positive organisational cultures. The latter can only be achieved, through investing in our human resources (a people approach), but within the very challenging and ever-constraining financial and legislative framework. Thus, the focus on the shift in mind-sets of phase 2, will be the municipality's biggest challenge and can only be achieved through political and administrative ownership (buy-in).

*Phase 3, (2024 - 2029)*, will be a combination of phases 1 and 2, with the municipality reaching the first phase of Organisational Excellence Maturity. Effective performance management- and efficiency monitoring systems will ensure efficient monitoring and constant evaluation of organisational culture, systems, strategies and policies to ensure sustainable development within a culture of excellence. The effective determining of the return on investment will inform the further development and improvement of systems, processes and cultures

## **INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT**

In terms of Section 67(1)(a) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), the Cape Winelands District Municipality, 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 Cape Winelands District Municipality 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.

During the 2018/2019 financial year, the CWDM gave continuous effect to the implementation of the Employment Equity Plan.

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

	MALE				FEMALE			
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE
<b>CWDM Targets</b>	17.8%	27.1%	0.2%	7.8%	16.1%	23.9%	0.1%	7.0%
<b>Office of the Municipal Manager: June 2019</b>	0.0%	16.7%	0.0%	8.3%	25.0%	33.3%	0.0%	16.7%
Office of the Municipal Manager: May 2019	0.0%	16.7%	0.0%	8.3%	25.0%	33.3%	0.0%	16.7%
<b>Financial &amp; Strategic Support Services: June 2019</b>	3.4%	20.5%	0.0%	8.0%	11.4%	36.4%	0.0%	20.5%
Financial & Strategic Support Services: May 2019	3.4%	20.5%	0.0%	8.0%	11.4%	36.4%	0.0%	20.5%
<b>Community Development &amp; Planning Services: June 2019</b>	9.2%	38.5%	0.0%	26.1%	10.0%	14.6%	0.0%	0.8%
Community Development & Planning Services: May 2019	9.2%	38.9%	0.0%	26.7%	9.9%	14.5%	0.0%	0.8%
<b>Technical Services: June 2019</b>	27.8%	41.5%	0.0%	9.7%	8.5%	10.8%	0.0%	1.7%
Technical Services: May 2019	27.4%	41.7%	0.0%	9.7%	8.6%	10.9%	0.0%	1.7%
<b>CWDM GLOBAL: JUNE 2019</b>	15.8%	35.5%	0.0%	14.5%	10.1%	18.2%	0.0%	5.9%
CWDM GLOBAL: MAY 2019	15.5%	35.6%	0.0%	14.7%	10.1%	18.2%	0.0%	5.9%

## All employees, including employees with disabilities:

## EMPLOYMENT EQUITY FIGURES 30 JUNE 2019

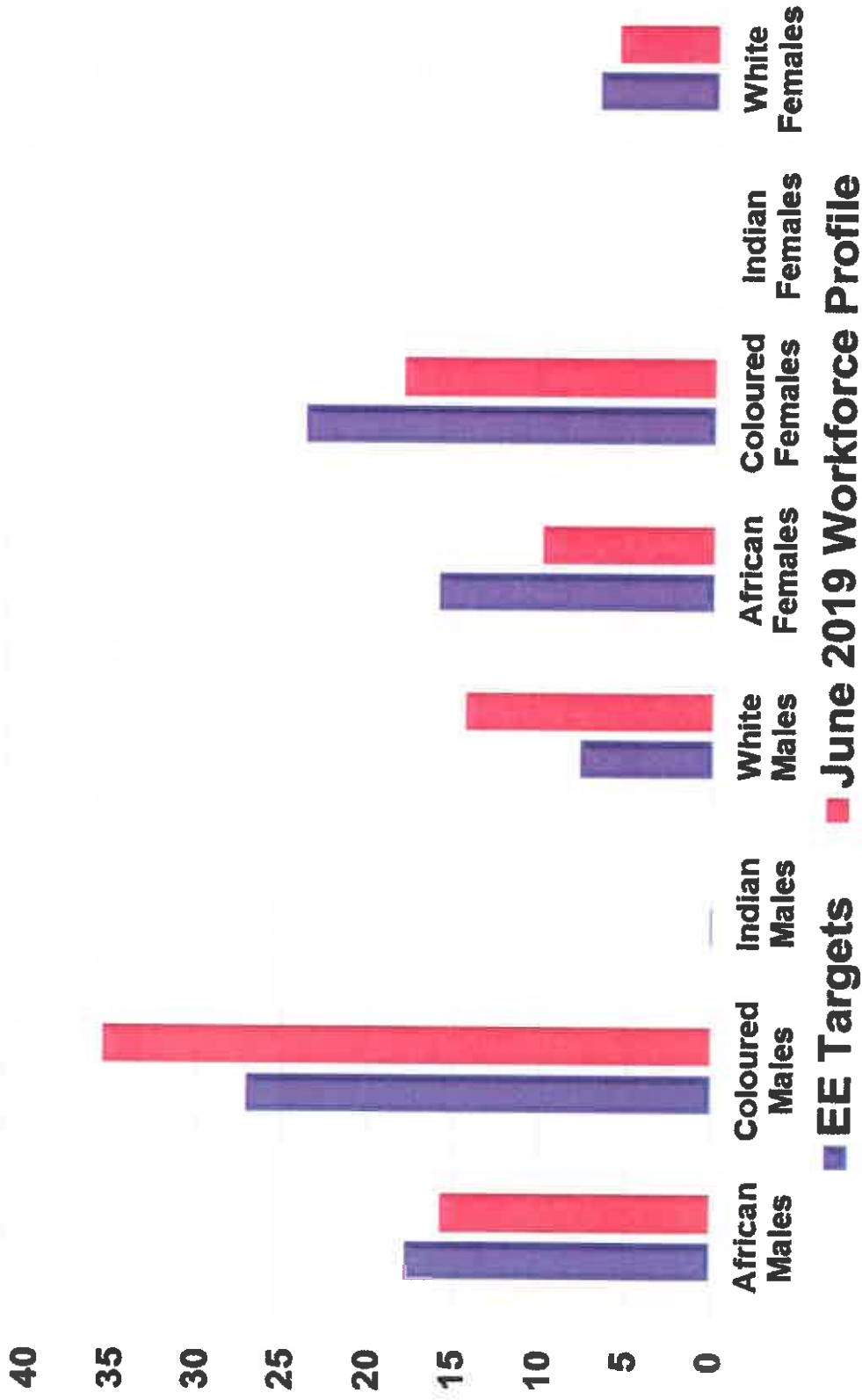
Occupational Level	Male			Female			Foreign Nationals		TOTAL		
	African	Coloured	Indian	White	African	Coloured	Indian	White		Male	Female
Top Management	0	2	0	1	0	1	0	0	0	0	4
Senior Management	0	1	0	1	0	0	0	1	0	0	5
Professionally qualified and experienced specialists and mid-management	2	13	0	13	1	5	0	3	0	0	37
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	10	51	0	38	19	28	0	7	0	0	153
Semi-skilled and discretionary decision making	39	70	0	4	11	29	0	12	0	0	165
Unskilled and defined decision making	13	7	0	2	10	9	0	1	0	0	42
<b>Total Permanent</b>	<b>64</b>	<b>144</b>	<b>0</b>	<b>50</b>	<b>41</b>	<b>74</b>	<b>0</b>	<b>24</b>	<b>0</b>	<b>0</b>	<b>400</b>
Temporary Employees	0	5	0	0	8	8	0	1	0	0	22
<b>Grand Total</b>	<b>64</b>	<b>149</b>	<b>0</b>	<b>50</b>	<b>49</b>	<b>82</b>	<b>0</b>	<b>25</b>	<b>0</b>	<b>0</b>	<b>420</b>

**All employees with disabilities:**

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Males	Females	
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	0	0	2	0	0	0	2	0	0	4
Unskilled and defined decision-making	0	0	0	0	0	1	0	1	0	0	2
<b>TOTAL PERMANENT</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>8</b>
<b>TEMPORARY EMPLOYEES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>GRAND TOTAL</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>8</b>



**JUNE 2019 WORKFORCE PROFILE COMPARED TO EE TARGETS**



## 4.2 POLICIES

HR POLICIES AND PLANS				
	Name of Policy	Completed %	Reviewed	Date adopted by Council or comment on failure to adopt
1.	Anti-Corruption Policy	100		06 November 2008
2.	Acquisition and use of Cellular Telephones by Councillors	100		11 December 2002
3.	Appointment of Consultants Policy	100		28 May 2015
4.	Accounting Policy	100		23 May 2013
5.	Asset Management Policy	100	22 May 2014 28 May 2015 25 May 2017	23 May 2013
6.	Baseline Installation Procedures for Operating Systems	100		25 July 2013
7.	Benevolent Fund Policy	100	25 November 2010	27 August 2009
8.	Bereavement Policy	100		25 April 2019
9.	Budget Policy	100		14 April 2011
10.	Branding Policy	100		28 May 2015
11.	Cash Management Policy and Investment Policy	100	28 May 2015	26 August 2010
12.	Change Management Process	100		24 April 2014
13.	Chronic Illness Policy	100		24 May 2005
14.	Code of Conduct for Employees	100		LG: Systems Act
15.	Combating Abuse of Supply Chain Management System Policy	100		28 May 2015
16.	Community Support Policy	100	28 May 2015	29 September 2005
17.	Communication Policy and Strategy 2008-2011	100	20 August 2015	6 November 2008
18.	Contract Management Policy	100		28 May 2015
19.	Confidentiality Policy	100		24 May 2005
20.	Corporate Gifts Policy	100		28 May 2015
21.	Corporate Identity and Branding Policy	100		28 May 2015
22.	Credit Control, Debt Collection and Indigent Policies	100	28 May 2015	30 September 2009
23.	CWDM Sponsored Work Related Functions Policy	100		24 May 2005
24.	Delegations, Authorisation and Responsibility	100	Under review	15 July 2011
25.	Determination of Policy for Internal Appeal Procedure in terms of Section 62 of Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)	100		24 March 2003
26.	Determination of Policy: Dress Code for Councillors	100		19 February 2004
27.	Emergency Nutrition Provision Policy	100		31 January 2013

HR POLICIES AND PLANS			
Name of Policy	Completed %	Reviewed	Date adopted by Council or comment on failure to adopt
28.	Employee Assistance Programme Policy	100	25 April 2012
29.	Employee Driving Licence Assistance Policy	100	27 June 2014 17 February 2011
30.	Employee Study Aid and Leave Policy	100	03 December 2013 24 May 2005
31.	Enterprise Risk Management Policy	100	28 January 2014 27 March 2013
32.	Electrification of Rural Housing Policy, Consolidate with Water and Sanitation Policy	100	25 February 2015 25 October 2012
33.	Expanded Public Works Policy	100	31 January 2013
34.	Education, Training and Development Policy	100	04 December 2014 24 May 2005
35.	Expenditure Management Policy	100	28 May 2015
36.	Fire and Rescue Training Academy Policy	100	04 December 2014
37.	Financial Support for the Replacement and Construction of Fencing along the Provincial Roads Network in the jurisdiction area of CWDM	100	03 December 2013
38.	Funding and Reserves Policy	100	28 May 2015 14 April 2011
39.	GRAP Policy and Procedural Guide	100	31 January 2005
40.	Grievance Procedure	100	SALGBC
41.	HIV and AIDS Policy	100	25 November 2010 24 May 2005
42.	ICT Data Backup and Retention Policy	100	29 June 2017
43.	ICT Service Level Agreement Management	100	29 June 2017
44.	Identifiable and Protective Clothing Policy: Disaster Management	100	24 October 2006
45.	Individual Performance Management Policy	100	28 June 2016
46.	Induction Policy	100	24 May 2005
47.	Information and Communication Backup Policy	100	24 April 2014 25 April 2012
48.	Information Technology Security Policy	100	24 May 2005
49.	Internship Policy	100	28 May 2015
50.	Internet and E-mail Usage Policy	100	24 May 2005
51.	International Relations Policy	100	27 August 2009
52.	Inventory and Stock Management Policy	100	28 May 2015
53.	Legal Aid Policy for Councilors and Employees	100	24 May 2005
54.	Long Term Financial Policy	100	28 May 2015
55.	Maintenance Management Policy	100	28 May 2015
56.	Mayoral Bursary Fund Policy (Rescinded)	100	25 October 2012

HR POLICIES AND PLANS			
Name of Policy	Completed %	Reviewed	Date adopted by Council or comment on failure to adopt
57.	Mobile Device Policy	100	04 December 2014
58.	Municipal Corporate Governance of Information and Communication Technology (ICT) Policy	100	29 June 2017
59.	Nepotism Policy	100	24 May 2005
60.	Network Security Policy	100	24 April 2014 25 July 2013 25 April 2017
61.	Occupational Health and Safety	100	24 May 2005
62.	Official Vehicles and Fleet Management Policy	100	04 December 2014 25 March 2004
63.	Performance Management System Policy and Framework Guide	100	20 August 2015
64.	Personal Protective Equipment Policy for the Roads Agency Function	100	26 March 2015
65.	Petty Cash Policy	100	28 May 2015
66.	Physical Environmental Security Policy	100	25 July 2013
67.	Policy for the Investigation of Allegations of Contraventions of Code of Conduct for Councilors	100	25 March 2004
68.	Policy for the Provision of Basic Services to Rural Dwellings	100	25 February 2016
69.	PPE Policy for Roads and Mechanical Workshop	100	26 March 2015
70.	Preferential Procurement Policy	100	28 May 2015
71.	Private Work Policy	100	Under review 24 May 2005
72.	Property Rates Policy	100	23 May 2006
73.	Protective Clothing for Environmental Health Practitioners	100	25 July 2006
74.	Protective Clothing Policy for Personnel: Roads	100	25 July 2006
75.	Public Participation Policy	100	20 August 2015
76.	Recruitment and Selection Policy	100	25 November 2010 24 May 2005
77.	Revenue Management Policy	100	20 May 2015
78.	Sexual Harassment Policy	100	24 May 2005
79.	Smoking Policy	100	25 November 2010 24 May 2005
80.	Sponsorship Policy	100	28 May 2015
81.	Staff Statements to the Media Policy	100	24 May 2005
82.	Student Assistance Policy	100	3 March 2008 24 May 2005
83.	Subsistence and Travel Policy	100	25 November 2010 30 March 2012 25 July 2013 28 January 2010
84.	Substance Abuse Policy	100	24 May 2005

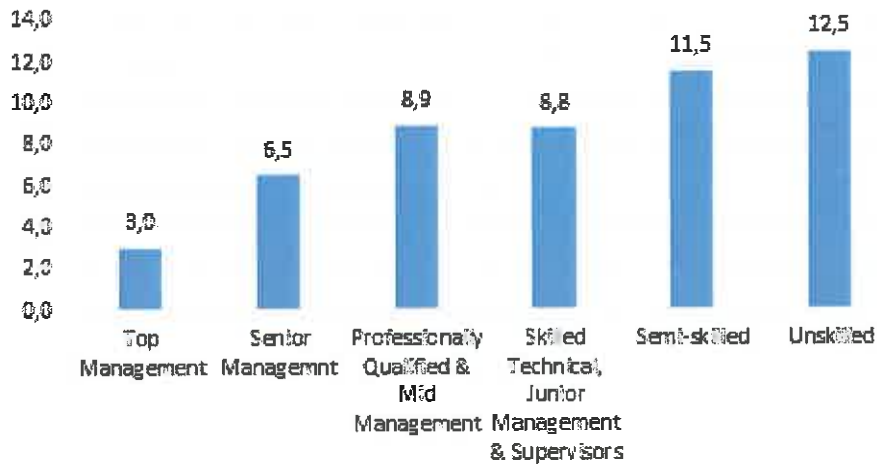
HR POLICIES AND PLANS				
	Name of Policy	Completed %	Reviewed	Date adopted by Council or comment on failure to adopt
85.	Succession Planning and Career Pathing Policy	100		24 May 2005
86.	Supply Chain Management Policy	100	31 July 2014 25 May 2017	27 March 2008
87.	Tariff Policy and Tariff By-Law	100		13 November 2003
88.	TASK Job Evaluation Policy	100		06 December 2018
89.	Telecommunications Policy	100	04 December 2014 31 January 2019	24 May 2005
90.	Telephone Policy for Councilors	100		30 June 2006
91.	Time and Work Attendance Management Policy	100		27 October 2011
92.	Transport Allowance Scheme	100	29 January 2015	26 April 2007
93.	Transport Allowance Scheme for Essential Users	100		22 June 2007
94.	Travel and Removal Expenses Policy	100		24 May 2005
95.	Uniforms and Protective Clothing: Support Personnel	100		24 May 2005
96.	Uniform Schedule for the Division: Fire Service	100		25 July 2006
97.	Unauthorized Fruitless and Wasteful Expenditure	100		28 May 2015
98.	Unforeseen and Unavoidable Expenditure Policy	100		28 May 2015
99.	Unpaid Leave Policy	100		24 May 2005
100.	User Account Management Procedures	100		24 April 2014
101.	User Security Policy	100		27 October 2011
102.	Whistleblowing Policy	100		24 May 2005
103.	Virement Policy	100	28 May 2015 25 May 2017	14 May 2010

**4.3 INJURIES**

Number and Cost of Injuries on Duty					
Type of Injury	Injury leave taken	Employees using injury leave	Proportion employees using sick leave	Average injury leave per employee	Total estimated cost
	Days	No.	%	Days	R'000
Required basic medical attention only	121	18	84.24%	6.72	R89,167.56
Fatal	0	1	0	0	0
<b>Total</b>	<b>121</b>	<b>19</b>	<b>84.24%</b>	<b>6.72</b>	<b>R89,167.56</b>

<b>NUMBER OF DAYS AND COST OF SICK LEAVE (EXCLUDING INJURIES ON DUTY)</b>					
<b>JOB LEVELS</b>	<b>Total sick leave</b>	<b>Proportion of sick leave without medical certification</b>	<b>Employees using sick leave</b>	<b>Total employees in post*</b>	<b>Average sick leave per employees</b>
	<b>Days</b>	<b>%</b>	<b>No.</b>	<b>No.</b>	<b>Days</b>
Top Management (MM & Section 56)	3	33,33%	1	4	3,0
Senior Management (T18 – T19)	13	23,08%	2	5	6,5
Professionally qualified and experienced specialists and mid-management (T14 – T17)	223	20,18%	25	36	8,9
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (T9 – T13)	1 077	23,96%	123	153	8,8
Semi-skilled and discretionary decision-making (T4 – T8)	1 715	28,92%	149	166	11,5
Unskilled and defined decision-making (T1 – T3)	524	33,59%	42	42	12,5
<b>Total</b>	<b>3 555</b>	<b>27,54%</b>	<b>342</b>	<b>406</b>	<b>51.2</b>

Average sick leave days per skill level





## 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 appointments may not take more than 30 days sick leave in the first year of employment. In terms of the Main Collective Agreement, the Cape Winelands District Municipality 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 provides 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 Cape Winelands District Municipality 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 are being 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 which result in accident leave is investigated by the relevant supervisors, in collaboration with the Occupational Health and Safety Officer in order to establish whether there was any negligent behavior and to impose measures to avoid future incidents/injuries which might result in accident leave. All incidents and injuries are reported on a monthly basis to the Local Labour Forum.

NUMBER AND PERIOD OF SUSPENSIONS				
Position	Nature of alleged misconduct	Date of suspension	Details of disciplinary action taken or status of case and reasons why not finalised	Date finalised
Executive Director: Community Development & Planning Services	Alleged misconduct	11 April 2019	Disciplinary hearing was stayed due to the fact that the employee resigned on 31 August 2019	31 August 2019

DISCIPLINARY ACTION TAKEN ON CASES OF FINANCIAL MISCONDUCT			
Position	Nature of alleged misconduct and rand value of any loss to the municipality	Disciplinary action taken	Date finalised
Transport Planner	Although irregular expenditure was incurred, there is no need for the recovery of expenditure, since services were rendered satisfactory, however the Supply Chain Management processes followed, were incorrect.	Counselling	11 September 2019
Deputy Director: Public Transport	Fruitless and wasteful expenditure	Informal disciplinary hearing	27 September 2019
Local Economic Development Officer	Although <u>irregular expenditure</u> was incurred, there is no need for the recovery of the expenditure, since the services were rendered satisfactory.	Counselling	24 October 2019

## 4.4 PERFORMANCE REWARDS

PERFORMANCE REWARDS BY GENDER					
Designations	Beneficiary Profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards 2018/2019	Proportion of beneficiaries within group
				R' 000	%
Top Management (MM & Section 56)	Female	1	1	R123 583,89	100%
	Male	4	3	R207 146.90	75%
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
<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Has the statutory municipal calculator been used as part of the evaluation process?					Not applicable

**COMMENT ON PERFORMANCE REWARDS**

In terms of Section 57(4B) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), 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 Integrated Development Plan, Service Delivery and Budget Implementation Plan (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.

However, note should be taken that the Council of the Cape Winelands District Municipality resolved at Item C.14.1 of its meeting held on 25 April 2012 that future performance bonuses of the Municipal Manager and Section 56 employees shall be capped to a maximum of 7% (seven per cent) in terms of Regulation 32(2) of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006.

In view of the aforementioned Council resolution, the Municipal Manager as well as the managers directly accountable to the Municipal Manager accordingly agreed that their future performance bonuses of their all-inclusive annual remuneration packages be capped to a maximum of 7% (seven per cent).

The Municipal Manager and Managers directly accountable to the Municipal Manager entered into performance agreements for the period from 01 July 2013 until 30 June 2014, which agreements, inter alia, govern the performance objectives and targets that must be met by the Municipal Manager and managers directly accountable to the Municipal Manager, the timeframes within which those performance objectives and targets must be met as well as the reward paid to the employee by the employer as recognition of outstanding performance.

However, on 19 December 2013, the Executive Mayor in consultation with the Deputy Executive Mayor in terms of delegated powers resolved that no performance bonuses be paid to the Municipal Manager and managers directly accountable to the Municipal Manager with effect from 01 February 2014, which was subsequently accepted by these category of employees by way of signing addendums to the principal performance agreements to effect this change.

On 29 June 2017 at Item C.15.1 the Council of the Cape Winelands District Municipality 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 principle 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.

COUNCIL MEETING: 28 JUNE 2018: ITEM C.15.2

RESOLVED: (Unanimously, 31 Councillors) That -

- (a) The reinstatement of performance bonuses in respect of the Municipal Manager and Managers directly accountable to the Municipal Manager 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, be approved;
- (b) Performance bonuses be considered annually based on financial affordability;
- (c) Cognisance be taken of the draft 2018/2019 performance agreements of the Municipal Manager and Managers directly accountable to the Municipal Manager, attached as Annexures "A" to "D" to the agenda item.

## COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

## 4.5 SKILLS DEVELOPMENT AND TRAINING

		SKILLS MATRIX															
Management Level	Gender	Employees in post as at 30 June 2019 No.	Learnerships				Skills Programmes and other Short Courses				Other Forms of Training				Total		
			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	Target	Actual: End of Year 0	Actual: End of Year 1	Target
MM and S56	Female	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Male	3	0	0	0	1	1	0	0	0	0	0	0	0	1	1	0
Councillors, senior officials and managers	Female	9	0	0	0	12	6	5	0	0	0	0	0	0	12	6	5
	Male	39	0	0	0	34	17	10	0	0	0	0	0	0	34	17	10
Technicians and associate professionals	Female	10	0	0	0	2	1	7	0	0	0	0	0	0	2	1	7
	Male	46	0	0	0	2	14	27	0	0	0	0	0	0	2	14	27
Professionals	Female	33	0	0	0	22	24	26	0	0	0	0	0	0	22	24	26
	Male	39	0	0	0	37	35	31	0	0	0	0	0	0	37	35	31
Sub-total	Female	53	0	0	0	36	31	38	0	0	0	0	0	0	36	31	38
	Male	127	0	0	0	74	67	68	0	0	0	0	0	0	74	67	68
<b>Total</b>		<b>180</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>110</b>	<b>98</b>	<b>106</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>110</b>	<b>98</b>	<b>106</b>

\*Registered with professional associate body e.g. CA (SA) - 57\*

FINANCIAL COMPETENCY DEVELOPMENT: PROGRESS REPORT						
Description	A Total Number of Officials Employed by Municipality (Regulation 14(4)(A) (4)(A)(i) 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	31	0	31	0	0	23
Heads Of Supply Chain Management Units	1	0	1	0	0	1
Supply Chain Management Senior Managers	1	0	1	0	0	1
<b>TOTAL</b>	<b>37</b>	<b>0</b>	<b>37</b>	<b>0</b>	<b>4</b>	<b>29</b>
<b>SKILLS DEVELOPMENT EXPENDITURE</b>						
<b>R1 510 000,00</b>						

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

### Financial and Strategic Services Directorate (FSS):

The implementation of the Municipal Regulation on Minimum Competency Levels within the CWDM, follow a two-phase approach. Before the 2018/19 year, MMCL training primarily focused on ensuring compliance with these regulations in terms of the Professional Competencies that were to be attained. As from 2018/19 Year MMCL training are becoming more focused on the attainment of Academic Qualifications of the affected officials, specifically those within the Financial Services Department. Thus, to give effect to the latter, the Supply Chain Management (SCM) division, embarked on ensuring the attainment of the required academic qualification via the Occupational Certificate: Supply Chain Practitioner qualification. The attainment of this qualification also speaks to their career pathing, as it will ensure articulation to higher academic qualifications. The Cape Peninsula University of Technology (CPUT) was appointed as the training provider and the course will conclude with the learners completing the final (external PSETA) examination in April 2020.

With regard to the CWDM complying with the MMCL Regulation, in terms of the attainment of the professional competencies, all affected officials currently complies. In terms of the MFMA Exemption Notice 40593 - All new appointees appointed after 1 January 2019 affected by the MFMA Exemption Notice 40593, will embark on a Municipal Finance Management Programme in order to ensure full compliance to the MMCL regulations. On 25 October 2019, the CWDM appointed the University of Stellenbosch (School of Public Leadership) as the new MFMP service provider.

The Occupational Certificate: Office Administration (NQF 5) qualification aims to achieve similar outcomes as mentioned above. Office administrators within the FSS as well as those office administrators within the Technical Services Directorate (Depot Clerks) are part of this qualification. The purpose of this qualification is to equip administrators, clerks and/or assistants with the necessary office management skills, knowledge and capabilities to perform their tasks/duties more effectively and productively within the municipal environment. This qualification also covered the behavioural skills focusing on communication, polished appearances and good interpersonal skills. In addition, upon successfully completion Officials will have obtained a NQF 5 Certificate, which enable them to further their professional careers via articulating to a Diploma on a NQF 6. External PSETA examination (in April 2020) will ensure a national qualification.





The Office Cleaning and Maintenance training programme aimed to equip all General Assistants/Driver Messengers with the necessary skills, knowledge and attitudes to achieving the following:

- ✓ a neat, clean office environment,
- ✓ presenting a professionalism image when dealing with the public
- ✓ and;
- ✓ to create a productive, motivated and competent working environment;
- ✓ Cost Effective Cleaning and,
- ✓ GREEN Cleaning.

In addition and as part of their development, the training programme ensured a basic qualification on a NQF 1. All participants (which included four disabled learners) of this training intervention successfully completed the course, not only achieving the above competencies but in addition contributing to costs saving



#### **Community Development and Planning Services Directorate:**

In order to ensure compliance with Health Professional Council of South Africa (HPCSA), regarding the registration and continuous capacitation of our Environmental Health Practitioners (EHPs), the CWDM embarked on Online courses, ensuring compliance with HPCSA regulations and guidelines. The eCPD courses ensures compliance of all EHPs as well as ensuring their continuous professional development (via the attainment of the minimum CPD points), as required to perform their regulatory duties. The eCPD courses enable EHP's to stay informed in terms of legislation, be innovative and competitive and to maintain high quality and continuous service delivery in their field of expertise. Acquiring the minimum CPD points for all 50 EHPs cost the CWDM on average a minimum of R500 000-00 per annum. The costs of the Online courses reduced that amount to around R30 000-00 per annum.

#### **Technical Services Directorate:**

Due to drastic regulatory changes with regards to the Occupational Health and Safety and-Driven Machinery legislations in 2013, training in the CWDM focussed ensuring compliance with the legislative requirements as regulated. Training programmes embarked on over this financial year included: Flagman (Traffic Control),

Small Plant Machinery, Earthmoving Machinery and Lifting Equipment Training. As evident in the above schedule (T4.5.3) 16% of the training budget was spent on staff from the Machine Operators and-Elementary occupational levels. In comparison with the previous year training expenditure of 42%, the 2018/19 expenditure focused on refresher courses, as the Machinery Regulations, requires refresher courses in order to maintain operational licenses.

In addition to the above, the Field Safety and Snake Awareness training programme was implemented. The aim of the intervention was to assist, equip and empower Operational Employees with the necessary knowledge to identify Potential Dangerous and Poisonous animals, insects and spiders. In addition, the training also taught officials the correct First Aid Procedures to be utilized, in the case of an actual venomous snakebite.



The Diesel Mechanic Artisan Programme, ensures that Mechanical Assistants obtain their formal artisan qualification (Diesel Mechanic) on a NQF 5. As from 2014 to date, three Mechanical Assistants successfully qualified themselves as Diesel Mechanics, thus not only assuring themselves further career opportunities but more importantly, addressing the qualified mechanic shortfall within our Mechanical Workshops.

Coupled with the above technical training programmes, the CWDM embarked on ensuring that various soft skills programmes support the abovementioned officials, in order to maximize learning and the effective implementation skills learnt. Thus, line managers within the Technical Departments underwent, Mentoring and-Coaching training in 2017, with some progressing to Facilitation, Assessor and Moderator training. As part of our Succession Plan. The latter training programmes were specifically identified to ensure the transfer-of-technical-skills and departmental readiness for the implementation of technical learnerships, as experienced and qualified technicians and engineers within the CWDM is nearing retirement age. The roll-out of these technical qualifications are finalized (to be implemented in April 2020), with the implementation of the National Certificate: Roads Construction Supervisor (NQF 4) and the National Diploma: Construction and Engineering (NQF 5). The latter aiming to address the current shortfall on Construction Technician level.

### **Training Programmes implemented across all Directorates within the CWDM**

The purpose of the Industrial Relations Training Programme was to equip and empower Municipal Officials (Line Managers) with the knowledge, attitudes and skills to effectively intervene (proactive), as well to enable them with the necessary confidence to fulfil their managerial obligations (Maintaining Discipline) within the workplace.



The Training Programme enable Manager/line Managers and Supervisors to apply the following aspects within their working environment:

Proactively, identifying and dealing with discipline within the workplace;

- ✓ Conduct disciplinary hearing in line with the principles of
- ✓ fairness and equity as envisaged by legislation (labour relations act, Bargaining Agreement etc.);
- ✓ Misconduct issues, of absenteeism, intoxication on duty, theft and how to dealt with misconduct from the
- ✓ perspective of the law and CCMA guidelines;
- ✓ Guidelines on how Line Managers, Supervisor and
- ✓ Employee representatives can deal with issues of poor

- ✓ performance, medical incapacity and prolonged illness in the workplace;
- ✓ Preventing and dealing with fraud and corruption in the organization
- ✓ Emotional Intelligence
- ✓ Ethics and Organizational Values
- ✓ Handling Grievances

The purpose of the Drivers License Programme is three-layered, it aims to assist employees with obtaining learners and drivers licenses to ensure:

- ✓ operational effectiveness,
- ✓ multi skilling of officials and:
- ✓ succession planning (specifically within the Roads Department).

The purpose of the Occupational Health and Safety Representative training is to enable Municipal Officials to identify, evaluate and record safety, health and environmental hazards in their designated work areas and be able to evaluate the risks attached to operational tasks and processes, as required within the OHS Act. The latter course is a standing item on our Training Implementation Plans, as the qualification is only valid for a two-year period, to be renewed via refresher courses, as regulated by the Occupational Health and Safety Act.

In conclusion, the phased approach to training implementation within the CWDM is slowly coming into it's own. As CWDM Line Managers is starting to take ownership of this medium term programme-approach, positive results are trickling through. However, the latter is taking on a "snowball effect" gaining more-and-more momentum, yielding an increase of positive results and attitudes. With the cascading of Individual Performance Management down to operations levels, the monitoring and evaluation on the impact of training interventions can be effectively measured and reported.

NUMBER OF EMPLOYEES WHOSE SALARIES WERE INCREASED DUE TO THEIR POSITIONS BEING UPGRADED DURING THE 2018/2019 FINANCIAL YEAR		
Beneficiaries	Gender	Total
Top Management (MM & Section 56)	Female	0
	Male	0
Senior Management (T18 – T19)	Female	0
	Male	0
Professionally qualified and experienced specialists and mid-management (T14 – T17)	Female	0
	Male	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (T9 – T13)	Female	0
	Male	0
Semi-skilled and discretionary decision- making (T4 – T8)	Female	0
	Male	0
Unskilled and defined decision-making (T1 – T3)	Female	0
	Male	0
<b>Total</b>		<b>0</b>

EMPLOYEES WHOSE SALARY LEVELS EXCEED THE GRADE DETERMINED BY JOB EVALUATION				
Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation
Public Relations Officer	1	T9	Remuneration levels of individual employees in terms of different TASK salary scales and notches.	<p>Clause 11 of the TASK Job Evaluation Process Plan stipulated that:</p> <p><i>Employees will be placed on the salary notch for the applicable TASK grade which is the closest higher salary notch to their existing salary notch.</i></p> <p><i>Employees whose existing basic salary is higher than the maximum of the applicable TASK grade will retain their existing basic salary scale on a personal-to-incumbent basis.</i></p>
Senior Accountant: Expenditure	1	T12		
Credit Controller	1	T9		
Principal Clerk: Expenditure	3	T7		
Administrator: Payroll	1	T10		
Principal Clerk: Payroll	1	T7		
Senior Buyer	1	T12		
Senior Supply Chain Management Officer	1	T10		
Procurement Clerk	1	T5		
Chief Clerk: Supplier/Database Administration	1	T8		
Senior Clerk: Assets/Expenditure	1	T6		
Administrative Secretary: Councillor Support	1	T8		
Human Resource Administration Officer	1	T10		
Training & Performance Management Officer	1	T10		
Chief: Committees & Administrative Support	1	T12		
Committee Officer	1	T10		
Chief Clerk: Records	1	T8		
Principal Clerk: Records	1	T7		
Clerk: Records	1	T5		

EMPLOYEES WHOSE SALARY LEVELS EXCEED THE GRADE DETERMINED BY JOB EVALUATION				
Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation
Receptionist / Switchboard Operator	2	T6	Remuneration levels of individual employees in terms of different TASK salary scales and notches.	<p>Clause 11 of the TASK Job Evaluation Process Plan stipulated that:</p> <p><i>Employees will be placed on the salary notch for the applicable TASK grade which is the closest higher salary notch to their existing salary notch.</i></p> <p><i>Employees whose existing basic salary is higher than the maximum of the applicable TASK grade will retain their existing basic salary scale on a personal-to-incumbent basis.</i></p>
Driver Messenger	2	T4		
General Assistant: Logistical Support	3	T3		
Youth Development Officer	1	T10		
Executive Secretary	2	T8		
Senior Tourism Officer	1	T11		
Tourism Officer	1	T10		
LED Project Assistant	1	T6		
Community Development Officer	2	T11		
Senior Fire Fighter	1	T10		
Disaster Management Officer: Preparedness	1	T11		
Administrator: Housing	1	T10		
Principal Clerk: Help Desk (ICT)	1	T7		
Administrator: Working for Water	1	T8		
Cleaner: Administration Support (Working for Water)	1	T2		
Administrator: IMMS Office	1	T10		
Senior Clerk: IMMS	1	T6		
Senior General Worker: Roads	5	T4		
Assistant Superintendent: Roads	3	T10		
General Worker: Roads	1	T3		

EMPLOYEES APPOINTED TO POSTS NOT APPROVED				
Department	Level	Date of Appointment	No. Appointed	Reason for Appointment when No Established Post Exists
NONE				

**COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE**

- T4.6.2: All filled posts on the approved staff establishment of the Cape Winelands District Municipality have been evaluated in terms of the TASK Job Evaluation System.
- T4.6.3: The Cape Winelands District Municipality did not make any appointments to posts that do not exist on the staff establishment in the 2018/2019 financial year.

## CHAPTER 5 – FINANCIAL PERFORMANCE

### INTRODUCTION

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

- Component A: Statement of Financial Performance;
- Component B: Spending Against Capital Budget; and
- Component C: Other Financial Matters.



## COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

### 5.1 INTRODUCTION TO FINANCIAL STATEMENTS

The Cape Winelands District Municipality maintained a sound financial position during the 2018/2019 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 Cape Winelands District Municipality's financial resources shrink constantly, but it still manages to render basic, dignified, fundamental services to the communities they have been entrusted to by the Constitution of the Republic of South Africa.

FINANCIAL SUMMARY						
Description	2017/2018	2018/2019		2018/2019 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
<b>Financial Performance</b>						
Property Rates	-					
Service Charges	71	200	136	136	32%	0%
Investment Revenue	51 928	51 850	55 246	54 294	-5%	2%
Transfers recognised - operational	230 434	233 097	235 734	231 989	0%	2%
Other own revenue	97 805	122 278	129 901	112 190	8%	14%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>380 238</b>	<b>407 425</b>	<b>421 017</b>	<b>398 609</b>	<b>2%</b>	<b>5%</b>
Employee costs	185 398	212 705	216 992	179 039	16%	17%
Remuneration of Councillors	11 331	11 746	12 458	12 171	-4%	2%
Depreciation and asset impairment	10 013	10 000	13 095	11 758	-18%	10%
Finance charges	-	8				
Other expenditure	145 496	170 598	175 556	143 841	16%	18%
<b>Total Expenditure</b>	<b>352 238</b>	<b>405 057</b>	<b>418 101</b>	<b>346 809</b>	<b>14%</b>	<b>17%</b>
<b>Surplus/(Deficit)</b>	<b>28 000</b>	<b>2 368</b>	<b>2 916</b>	<b>51 800</b>	<b>-2088%</b>	<b>-1676%</b>
Transfers recognised - capital	-					
(Loss)/Gain on disposal of assets and liabilities	8 965	20	928	881	-4305%	5%
Less inventories losses/write-downs	-	-	43	43	N/A	0%
<b>Surplus/(Deficit) after capital transfers and contributions</b>	<b>19 035</b>	<b>2 348</b>	<b>1 945</b>	<b>50 876</b>	<b>-2067%</b>	<b>-2516%</b>
Share of surplus/(deficit) of associate	0					
<b>Surplus/(Deficit) for the year</b>	<b>19 035</b>	<b>2 348</b>	<b>1 945</b>	<b>50 876</b>	<b>-2067%</b>	<b>-2516%</b>

## 5.2 GRANTS

CONDITIONAL GRANTS: EXCLUDING MIG					
R'000					
Details	Budget	Adjustment Budget	Actual	% Variance	
				Budget	Adjustment Budget
EPWP incentive	1 391	1 391	1 391	0	0
Local Government Financial Management Grant	1 000	1 000	1 000	0	0
Western Cape Financial Management Support Grant	480	1 175	280	42	76
Integrated Transport Plan	900	1 608	716	20	55
Rural Roads Asset Management System	2 689	2 689	2 393	11	11
Community Development Workers	74	0	78	100	100
Western Cape Financial Capacity Building Grant	360	360	81	78	78
Municipal Service Delivery & Capacity Building(Local	0	400	0	0	100
Local Government Intemship Grant	0	72		#DIV/0!	100
Safety Plan Implementation - WOSA	0	1 000	0	0	100
Sandhills - Toilet hire	700	879	836	-19	5
<b>Total</b>	<b>7 594</b>	<b>10 574</b>	<b>6 775</b>	<b>11</b>	<b>36</b>
					TL

## 5.2 ASSET MANAGEMENT

### 5.3 INTRODUCTION TO ASSET MANAGEMENT

The municipality 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 Cape Winelands District Municipality 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 Cape Winelands District Municipality'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)

#### Liquidlty Ratio (Norm 1 to 1.5)

Applying the ratio of current assets over current liabilities, the actual ratio equates 18.50 (2018: 15.77) with a minimum acceptable norm at 1. This means that the current assets of the municipality are more than the current liabilities. The 2019 current ratio of 18.50 increased with 2.73 from the previous year. The municipality is in a very good position to meet its financial obligations on a timely basis.

## 5.5 CAPITAL EXPENDITURE

CAPITAL EXPENDITURE 2018/2019: EXECUTIVE AND COUNCIL					
	R'000				
	Budget	Adjustment Budget	Actual Expenditure	% Variance to original budget	Total Project Value
Total	6	3	3		
Voice recorder	6	3	3	100,00	

## 5.6 REVENUE COLLECTION BY SOURCE

Revenue Collection Performance by Source						
R' 000						
Details	2017/2018	2018/2019			2018/2019 Variance	
	Actual	Original Budget (OB)	Adjusted Budget	Actual	Original Budget	Adjusted 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	-	-	-	-	-	-
Service charges - other	71	200	136	136	32%	0%
Rental of facilities and equipment	124	131	248	248	-89%	0%
Interest earned - external investments	51928	51850	55246	54294	-5%	2%
Interest earned - outstanding debtors	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-
Fines	2	0	0	0	-	-
Licences and permits	-	0	0	0	-	-
Agency services	96154	120768	126365	108553	10%	14%
Transfers recognised - operational	230434	233097	235734	231989	0%	2%
Other Income	1 525	1 379	3 288	3 389	-146%	-3%
<b>Total Revenue</b>						
<b>(excluding capital transfers and contributions)</b>	<b>380 238</b>	<b>407 425</b>	<b>421 017</b>	<b>398 609</b>	<b>2%</b>	<b>5%</b>

## 5.7 CAPITAL SPENDING ON THREE LARGEST PROJECTS

### TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2018/2019

<b>Asset 1</b>	
Name	IVECO TRAKKER 4X4 FIRE VEHICLE
Description	Major 4 x 4 fire fighting vehicle
Asset type	Vehicle Fire Engin - VEHFE
Key staff involved	
Staff responsibilities	
Asset value	2 773 724
Capital implications	
Future purpose of asset	Will be used during fire fighting incidents
Describe key issues	
Policies in place to manage asset	Asset Management Policy
<b>Asset 2</b>	
Name	FIRE FIGHTING VEHICLE - LANDCRUISER - CL 84121
Description	Light 4 x 4 fire fighting vehicle (CL24575)
Asset type	Vehicle Fire Engin - VEHFE
Key staff involved	
Staff responsibilities	
Asset value	699 769
Capital implications	
Future purpose of asset	Will be used during fire fighting incidents
Describe key issues	
Policies in place to manage asset	Asset Management Policy
<b>Asset 3</b>	
Name	CARPORT - ROBERTSON ROADS DEPO
Description	Robertson Workshop Old Corrugated Carport / Storage
Asset type	Carport - CARPR
Key staff involved	
Staff responsibilities	
Asset value	496 800
Capital implications	
Future purpose of asset	Carport for vehicles
Describe key issues	
Policies in place to manage asset	Asset Management Policy

**COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS****5.8 INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS**

The Cape Winelands District Municipality has no significant interest-bearing assets; hence income and operating cash flows are substantially independent of changes in market interest rates. The Cape Winelands District Municipality 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

## 5.9 CASH FLOW

CASH FLOW OUTCOMES				
R'000				
Description	2017/2018	2018/2019		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Sale of goods and services	99 462	122 478	128 507	111 272
Grants	230 434	233 097	234 523	231 989
Government – Capital	-	-	-	-
Interest	42 739	51 850	51 000	53 965
Dividends	-	-	-	-
<b>Payments</b>				
Employee cost	-173 313	-201 205	-198 297	-182 881
Suppliers	-146 246	-164 515	-161 916	-147 868
Other Payments: Remuneration to Councillors	-11 331	-11 746	-12 458	-12 171
	-330 890	-377 466	-372 671	-342 920
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>41 745</b>	<b>29 959</b>	<b>41 359</b>	<b>54 306</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	-18 209	-31 481	-16 813	-13 985
Proceeds from sale of property, plant and equipment	432	-	-	198
Purchase of other intangible assets	-62	0	0	-263
<b>NET CASH FROM/(USED) INVESTMENT ACTIVITIES</b>	<b>-17 839</b>	<b>-31 481</b>	<b>-16 813</b>	<b>-14 050</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Short-term Loans	-	-	-	-
Borrowing Long Term/Refinancing	-	-	-	-
Increase (Decrease) in Consumer Deposits	-	-	-	-
<b>Payments</b>				
Finance lease payments	-3	-	-	0
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>-3</b>	<b>-</b>	<b>-</b>	<b>0</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>23 903</b>	<b>-1 522</b>	<b>24 546</b>	<b>40 256</b>
Cash/Cash Equivalents at the beginning of the Year	592 131	592 131	616 034	616 034
Cash/Cash Equivalents at the Year-end	616 034	590 609	640 580	656 290

Source: MBRR SA7 T5.9.1

## 5.10 BORROWING AND INVESTMENTS

The Cape Winelands District Municipality has no outstanding loans.

**COMPONENT D: OTHER FINANCIAL MATTERS****5.11 SUPPLY CHAIN MANAGEMENT**

Prescribed supply chain management processes and procedures as per the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), Section 110-119 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 on contract management, specifically on long-term contracts, remains a challenge and will be addressed in the course of this financial year. The Cape Winelands District Municipality 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 Cape Winelands District Municipality have been prepared in accordance with GRAP in terms of Section 122(3) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), 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**



# Report of the auditor-general to the Western Cape Provincial Parliament and the 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 5 to 108 which comprise statement of financial position as at 30 June 2019, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion the financial statements present fairly, in all material respects, the financial position of the Cape Winelands District Municipality as at 30 June 2019, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act no. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2018 (Act no. 1 of 2018 (Dora)).

### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the municipality in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants*, and parts 1 and 3 of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA codes), as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Emphasis of matters

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

### Restatement of corresponding figures

7. As disclosed in note 31 to the financial statements, the corresponding figures for 30 June 2018 have been restated as a result of errors identified during the 2018/19 financial year in the financial statements of the municipality at, and for the year ended, 30 June 2019

## **Other matters**

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

### **Unaudited supplementary schedules**

9. The supplementary information set out on pages 109 to 115 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

### **Unaudited disclosure notes**

10. In terms of section 125(2)(e) of 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**

11. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA and the Dora and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

12. In preparing the financial statements, the accounting officer is responsible for assessing the Cape Winelands District 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**

13. 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.

14. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

## **Report on the audit of the annual performance report**

### **Introduction and scope**

15. In accordance with the Public Audit Act of South Africa, 2004 (Act no. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on

the reported performance information against predetermined objectives for the selected objective presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

16. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators/ measures included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
17. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objective presented in the annual performance report of the municipality for the year ended 30 June 2019:

Strategic Objective	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

18. 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.
19. I did not raise any material findings on the usefulness and reliability of the reported performance information for the selected strategic objective.

**Other matters**

20. I draw attention to the matters below.

**Achievement of planned targets**

21. Refer to the annual performance report on pages 11 to 12 for information on the achievement of planned targets for the year.

**Adjustment of material misstatements**

22. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of Strategic Objective 2 – Promoting sustainable infrastructure services and transport system which fosters social and economic opportunities. As management subsequently corrected the

misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

## **Report on the audit of compliance with legislation**

### **Introduction and scope**

23. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
24. I did not raise 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 the selected objective presented in the annual performance report that has 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 thereon.
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 objective presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
28. I have nothing to report in this regard.

## Internal control deficiencies

29. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.

*Auditor - General*

Cape Town

30 November 2019



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 objective 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 related to events or conditions that may cast significant doubt on the Cape Winelands District Municipality ability 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 the 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 continuing as a going concern**
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation**

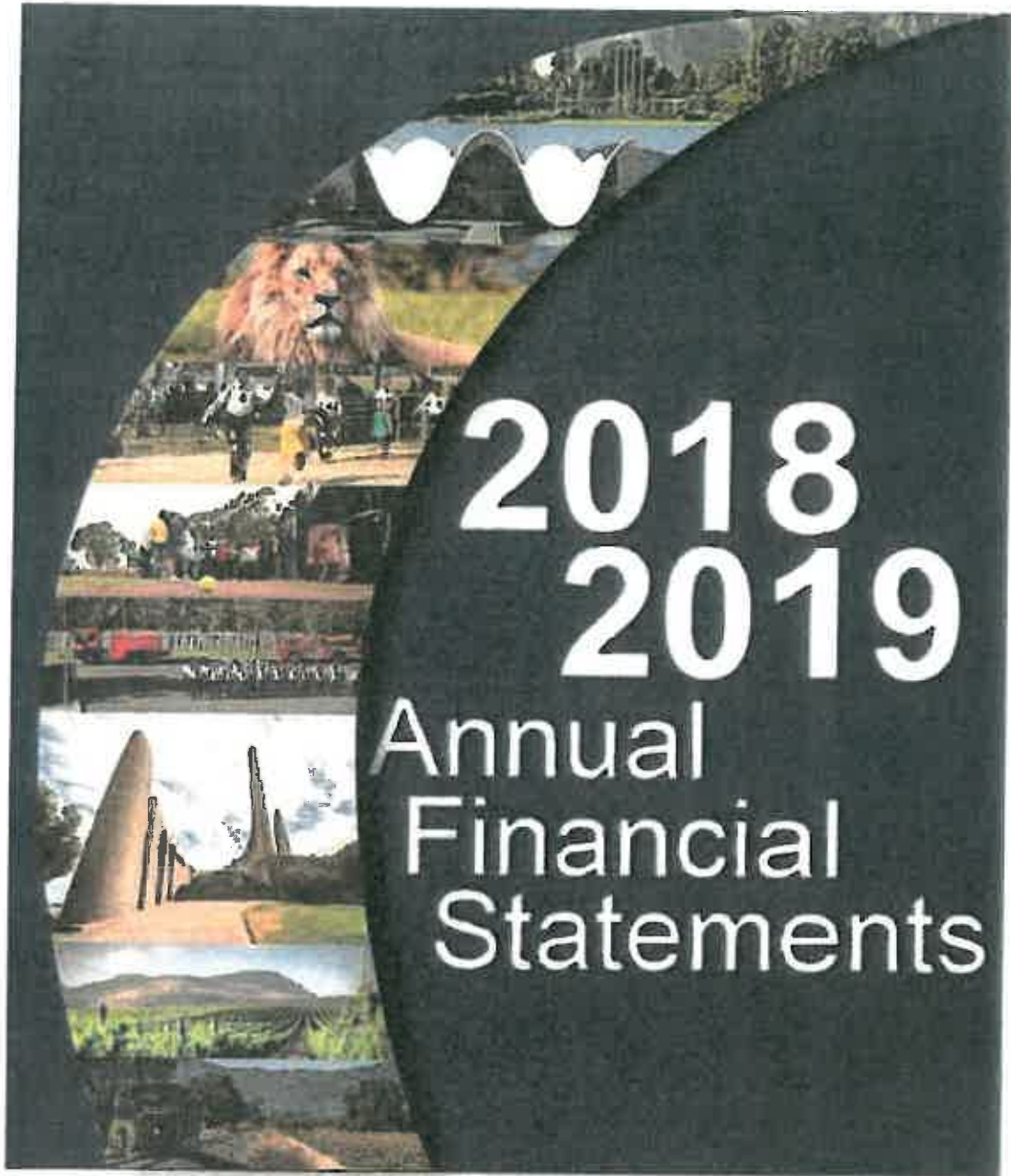
### **Communication with those charged with governance**

- 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 confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.**



**CHAPTER 7: ANNUAL FINANCIAL STATEMENTS**





**Vision**  
A united Cape  
Winelands of  
excellence for  
sustainable  
development

**Mission**  
Working together  
towards effective,  
efficient and  
economically  
sustainable  
development.



**Cape Winelands District Municipality**  
Financial Statements for the year ended 30 June 2019

**General Information**

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**Legal form of entity**

**Municipality (MFMA)**

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

**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 & 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 local municipalities to facilitate economic development planning within the Cape Winelands;
- h) Increases access to safe and efficient transport;
- i) Develops integrated and sustainable human settlements;
- j) Integrates service delivery for maximum impact;
- k) Creates opportunities for growth and development in rural areas; and
- l) Empowers vulnerable groups, build human capital, invest in social capital and rural development programmes.

**Mayoral committee**

Ald. (Dr) H VON SCHLICHT  
Cllr. C MEYER  
Cllr. D SWART  
Cllr. G.J CARINUS  
Cllr. J.J DU PLESSIS  
Cllr. L.W NIEHAUS  
Cllr. A. FLORENCE  
Cllr. P.C RAMOKHABI  
Cllr. J.D.F VAN ZYL  
Cllr. D.D. JOUBERT (APPOINTED 01/08/2018)

**Other Councillors**

Cllr. Z.L MASOKA - (APPOINTED 14/05/2018)  
Cllr. C DAMENS  
Cllr. X KALIPA  
Cllr. L.N SIWAKAMISA  
Cllr. J.S MOUTON  
Cllr. P MARRAN - (RESIGNED 14/05/2019)  
Cllr. E.S.C MATJAN  
Cllr. A CROMBIE  
Cllr. R.B ARNOLDS - (RESIGNED 02/04/2018)  
Cllr. J.J VAN ROOYEN

**Cape Winelands District Municipality**  
Financial Statements for the year ended 30 June 2019

**General Information**

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	Cllr. C STEYN
	Cllr. E QHANKQISO
	Cllr. B.B NTSHINGILA
	Cllr. W.M BLOM
	Cllr. G.J FREDERICKS
	Cllr. S.S MAGQAZANA
	Cllr. D.R.A SNYDERS
	Cllr. M.M ADRIAANSE - (RESIGNED 10/09/2018)
	Cllr. E GOUWS - (RESIGNED 10/09/2018)
	Cllr. P HESS
	Cllr. J.W SCHUURMAN
	Cllr. M.T KLAAS
	Cllr. R DU TOIT
	Cllr. L LANDU
	Cllr. W VROLOCK
	Cllr. N.S LOUW - (RESIGNED 25/07/2018)
	Cllr. R.S NALUMANGO
	Cllr. P DANIELS
	Cllr. A.J SHIBILI
	Cllr. C.F WILSKUT
	Cllr. L.S SAMBOKWE
	Cllr. N TETENA
	Cllr. S.C RENS
	Cllr. J. SMIT - (APPOINTED 02/10/2018)
	Cllr. N.D. SAUERMAN - (APPOINTED 02/10/2018)
<b>Grading of local authority</b>	GRADE 4 MEDIUM CAPACITY
<b>Municipal Manager</b>	H.F PRINS
<b>Chief Financial Officer (CFO)</b>	F.A DU RAAN - GROENEWALD
<b>Registered office</b>	46 ALEXANDER STREET STELLENBOSCH 7600
<b>Postal address</b>	P.O.BOX 100 STELLENBOSCH 7599
<b>Telephone</b>	0861 265 263
<b>Bankers</b>	NEDBANK
<b>Auditors</b>	AUDITOR GENERAL OF SOUTH AFRICA (AGSA)



**Cape Winelands District Municipality**  
Financial Statements for the year ended 30 June 2019

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

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<b>Statement of Financial Performance</b>	<b>6</b>
<b>Statement of Changes in Net Assets</b>	<b>7</b>
<b>Cash Flow Statement</b>	<b>8</b>
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<b>IDP</b>	<b>Integrated Development Plan</b>
<b>CRR</b>	<b>Capital Replacement Reserve</b>
<b>LGSETA</b>	<b>Local Government Sector Education and Training Authority</b>
<b>mSCOA</b>	<b>municipal Standard Chart of Accounts</b>
<b>GRAP</b>	<b>Generally Recognised Accounting Practice</b>
<b>DEA</b>	<b>Department of Environmental Affairs</b>
<b>PRMA</b>	<b>Post Retirement Medical Aid</b>
<b>RRAMS</b>	<b>Rural Roads Asset Management System</b>
<b>MPAC</b>	<b>Municipal Public Accounts Committee</b>
<b>IPSAS</b>	<b>International Public Sector Accounting Standards</b>
<b>Cllr</b>	<b>Councillor</b>
<b>LED</b>	<b>Local Economic Development</b>
<b>MFMA</b>	<b>Municipal Finance Management Act</b>
<b>PMS</b>	<b>Performance Management System</b>
<b>CWDM</b>	<b>Cape Winelands District Municipality</b>
<b>MSA</b>	<b>Municipal Systems Act</b>
<b>WCA</b>	<b>Workmen's Compensation Assistance</b>

**Cape Winelands District Municipality**  
Financial Statements for the year ended 30 June 2019

**Accounting Officer's Responsibilities and Approval**

The accounting officer is required by the Local Government: 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 are given unrestricted access to all financial records and related data.

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

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 set standards for internal control aimed at reducing the risk of error or deficit in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the Municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Municipality is on identifying, assessing, managing and monitoring all known forms of risk across the Municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimize 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 2020 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 - 108, which have been prepared on the going concern basis, were approved by the Accounting Officer on 31 August 2019.

  
Accounting Officer  
HF Pries



**Cape Winelands District Municipality**  
Financial Statements for the year ended 30 June 2019

**Statement of Financial Position as at 30 June 2019**

Figures in Rand	Note(s)	2019	2018 Restated*
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	3	658 290 226	616 034 060
Other receivables from exchange transactions	4	30 004 426	25 490 823
Trade receivables from exchange transactions	5	34 770	14 649
Inventories	6	2 532 251	2 359 893
VAT receivable	7	110 626	3 275 644
Receivables from non-exchange transactions	8	73 254	69 458
Employee benefit asset	15	2 632 187	2 416 597
		<u>691 677 720</u>	<u>649 661 124</u>
<b>Non-Current Assets</b>			
Property, plant and equipment	9	152 731 366	151 213 466
Intangible assets	10	526 582	634 690
Employee benefit asset	15	14 008 329	22 677 800
		<u>167 266 287</u>	<u>174 525 956</u>
<b>Non-Current Assets</b>		<b>167 266 287</b>	<b>174 525 956</b>
<b>Current Assets</b>		<b>691 677 720</b>	<b>649 661 124</b>
<b>Total Assets</b>		<b><u>858 944 007</u></b>	<b><u>824 187 080</u></b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Operating lease liability	11	-	13 605
Unspent conditional grants and receipts	13	4 587 666	2 829 750
Payables from exchange transactions	14	4 445 146	9 953 174
Employee benefit obligation	15	29 414 165	29 267 194
Provisions	41	13 471	21 620
		<u>38 470 448</u>	<u>42 186 343</u>
<b>Non-Current Liabilities</b>			
Operating lease liability	11	-	6 477
Employee benefit obligation	15	145 267 952	157 665 465
		<u>145 267 952</u>	<u>167 671 942</u>
<b>Non-Current Liabilities</b>		<b>145 267 952</b>	<b>167 671 942</b>
<b>Current Liabilities</b>		<b>38 470 448</b>	<b>42 186 343</b>
<b>Total Liabilities</b>		<b><u>183 738 400</u></b>	<b><u>199 857 285</u></b>
<b>Assets</b>		<b>858 944 007</b>	<b>824 187 080</b>
<b>Liabilities</b>		<b>(183 738 400)</b>	<b>(199 857 285)</b>
<b>Net Assets</b>		<b><u>675 205 607</u></b>	<b><u>624 329 795</u></b>
<b>Accumulated surplus</b>	16	<b><u>675 205 607</u></b>	<b><u>624 329 795</u></b>

\* See Note 31





**Cape Winelands District Municipality**  
Financial Statements for the year ended 30 June 2019

**Statement of Financial Performance**

Figures in Rand	Note(s)	2019	2018 Restated*
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Service charges	17	136 085	70 756
Rental of facilities and equipment	18	248 345	123 908
Agency services	19	108 552 545	98 154 321
Other Income	20	3 388 329	1 525 810
Interest received - investment	21	54 293 684	51 828 028
<b>Total revenue from exchange transactions</b>		<u>166 619 948</u>	<u>149 802 823</u>
<b>Revenue from non-exchange transactions</b>			
<b>Transfer revenue</b>			
Government grants and subsidies	22	231 988 687	230 433 575
Fines, penalties and forfeits		-	2 000
<b>Total revenue from non-exchange transactions</b>		<u>231 988 687</u>	<u>230 435 575</u>
<b>Total revenue</b>		<u>398 608 635</u>	<u>380 238 398</u>
<b>Expenditure</b>			
Employee related costs	24	(179 039 248)	(185 397 997)
Remuneration of councillors	25	(12 171 102)	(11 330 916)
Depreciation and amortisation	26	(11 758 024)	(10 012 958)
Finance costs	27	-	(81)
Lease rentals on operating lease		(285 498)	(484 240)
Debt impairment	28	(55 718)	-
Debt impairment reversal	28	-	2 187 943
Bad debt written off		-	(2 257 634)
Contracted services	43	(43 484 511)	(50 293 034)
Transfers and Subsidies	42	(11 423 783)	(13 495 524)
Loss on disposal of assets		(881 488)	(8 965 308)
Inventories losses/write-downs		(43 355)	-
General Expenses	28	(88 590 074)	(81 153 661)
<b>Total expenditure</b>		<u>(347 732 802)</u>	<u>(361 203 422)</u>
<b>Total revenue</b>		398 608 635	380 238 398
<b>Total expenditure</b>		(347 732 802)	(361 203 422)
<b>Surplus for the year</b>		<u>50 875 833</u>	<u>19 034 976</u>



\* See Note 31

**Cape Winelands District Municipality**  
Financial Statements for the year ended 30 June 2019

**Statement of Changes in Net Assets**

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	602 274 992	602 274 992
Prior year adjustments (note 31)	3 019 827	3 019 827
<b>Balance at 01 July 2017 as restated*</b>	<b>605 294 819</b>	<b>605 294 819</b>
Changes in net assets		
Surplus previous year (2017/2018)	19 995 832	19 995 832
Prior year adjustments (2017/2018)	(960 856)	(960 856)
Restated surplus 2017/2018	19 034 976	19 034 976
<b>Restated* Balance at 01 July 2018</b>	<b>624 329 794</b>	<b>624 329 794</b>
Changes in net assets		
Surplus for the year	50 875 813	50 875 813
Total changes	50 875 813	50 875 813
<b>Balance at 30 June 2019</b>	<b>675 205 607</b>	<b>675 205 607</b>
Note(s)	16	



\* See Note 31

**Cape Winelands District Municipality**  
Financial Statements for the year ended 30 June 2019

**Cash Flow Statement**

Figures in Rand	Note(s)	2019	2018 Restated*
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Sale of goods and services		111 272 150	99 462 012
Grants		231 968 667	230 433 575
Interest income		53 064 794	42 739 011
		<u>397 225 611</u>	<u>372 634 598</u>
<b>Payments</b>			
Employee costs		(182 881 105)	(173 313 216)
Suppliers		(147 867 821)	(146 245 532)
Other payments: Remuneration to Councillors		(12 171 102)	(11 330 916)
		<u>(342 920 128)</u>	<u>(330 889 664)</u>
<b>Total receipts</b>		397 225 611	372 634 598
<b>Total payments</b>		(342 920 128)	(330 889 664)
<b>Net cash flows from operating activities</b>	32	<u>54 305 483</u>	<u>41 744 934</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	9	(13 984 893)	(18 208 008)
Proceeds from sale of property, plant and equipment	9	198 890	431 936
Purchase of other intangible assets	10	(263 312)	(61 760)
<b>Net cash flows from investing activities</b>		<u>(14 049 315)</u>	<u>(17 837 832)</u>
<b>Cash flows from financing activities</b>			
Finance lease payments	12	-	(3 544)
<b>Net increase/(decrease) in cash and cash equivalents</b>		40 256 168	23 903 558
<b>Cash and cash equivalents at the beginning of the year</b>		616 034 060	582 130 504
<b>Cash and cash equivalents at the end of the year</b>	3	<u>656 290 228</u>	<u>616 034 062</u>



\* See Note 31

**Cape Winelands District Municipality**  
Financial Statements for the year ended 30 June 2019

**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
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Figures in Rand

**Statement of Financial Performance**

**Revenue**

**Revenue from exchange transactions**

Service charges	200 000	(63 900)	136 100	136 065	(35)	Note 47
Rental of facilities and equipment	220 000	28 400	248 400	248 345	(55)	Note 47
Agency services	128 389 753	(2 024 970)	126 364 783	108 552 545	(17 812 238)	Note 47
Other revenue	2 473 990	814 600	3 288 590	3 389 329	100 739	Note 47
Interest received - investment	54 000 000	1 245 870	55 245 870	54 283 664	(962 206)	Note 47
<b>Total revenue from exchange transactions</b>	<b>185 283 743</b>	<b>-</b>	<b>185 283 743</b>	<b>166 619 948</b>	<b>(18 663 795)</b>	

**Revenue from non-exchange transactions**

**Transfer revenue**

Government grants and subsidies	235 733 652	-	235 733 652	231 988 667	(3 744 985)	Note 47
<b>Total revenue</b>	<b>421 017 395</b>	<b>-</b>	<b>421 017 395</b>	<b>398 608 615</b>	<b>(22 408 780)</b>	

**Expenditure**

Employee related costs	(215 644 511)	(1 347 600)	(216 992 111)	(179 039 248)	37 952 863	Notes 47
Remuneration of councillors	(12 458 055)	-	(12 458 055)	(12 171 102)	286 953	Note 47
Depreciation and amortisation	(9 989 893)	(3 105 460)	(13 095 353)	(11 758 024)	1 337 329	Note 47
Lease rentals on operating lease	(1 029 000)	742 300	(286 700)	(285 499)	1 201	Note 47
Debt Impairment	-	(55 750)	(55 750)	(55 718)	32	Note 47
Bad debt written off	(1 186 275)	120 000	(1 066 275)	-	1 066 275	Note 47
Contracted Services	(62 672 512)	4 592 083	(58 080 429)	(43 484 511)	14 595 918	Note 47
Transfers and Subsidies	(10 856 300)	(1 570 000)	(12 426 300)	(11 423 783)	1 002 517	Note 47
General Expenses	(105 215 568)	1 576 087	(103 639 481)	(88 590 074)	15 049 407	Note 47
<b>Total expenditure</b>	<b>(419 062 114)</b>	<b>951 660</b>	<b>(418 100 454)</b>	<b>(346 807 959)</b>	<b>71 292 495</b>	

**Operating surplus**

Loss on disposal of assets	(20 000)	(908 260)	(928 260)	(861 488)	46 772	Note 47
Inventories losses/write-downs	-	(43 400)	(43 400)	(43 355)	45	Note 47
	<b>(20 000)</b>	<b>(951 660)</b>	<b>(971 660)</b>	<b>(924 843)</b>	<b>46 817</b>	

**Surplus**

	<b>1 945 281</b>	<b>-</b>	<b>1 945 281</b>	<b>50 875 813</b>	<b>48 930 632</b>	
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**Cape Winelands District Municipality**  
Financial Statements for the year ended 30 June 2019

**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						
<b>Statement of Financial Position</b>						
<b>Assets</b>						
<b>Current Assets</b>						
Inventories	1 800 000	-	1 800 000	2 532 251	732 251	Note 47
Other receivables from exchange transactions	34 508 595	-	34 508 595	30 004 426	(4 504 169)	Note 47
Receivables from non-exchange transactions	74 000	-	74 000	73 254	(746)	Note 47
VAT receivable	112 000	-	112 000	110 626	(1 374)	Note 47
Employee benefit asset	2 500 000	-	2 500 000	2 632 167	132 167	Note 47
Trade receivables from exchange transactions	15 000	-	15 000	34 770	19 770	Note 47
Cash and cash equivalents	640 579 304	-	640 579 304	656 290 228	15 710 922	Note 47
	<b>679 588 899</b>	-	<b>679 588 899</b>	<b>691 677 720</b>	<b>12 088 821</b>	
<b>Non-Current Assets</b>						
Property, plant and equipment	162 847 621	-	162 847 621	152 731 366	(10 116 255)	Note 47
Intangible assets	780 874	-	780 874	526 592	(254 282)	Note 47
Employee benefit asset	22 000 000	-	22 000 000	14 008 329	(7 991 671)	Note 47
	<b>185 628 495</b>	-	<b>185 628 495</b>	<b>167 266 287</b>	<b>(18 362 208)</b>	
<b>Non-Current Assets</b>	<b>679 588 899</b>	-	<b>679 588 899</b>	<b>691 677 720</b>	<b>12 088 821</b>	
<b>Current Assets</b>	<b>185 628 495</b>	-	<b>185 628 495</b>	<b>167 266 287</b>	<b>(18 362 208)</b>	
<b>Total Assets</b>	<b>865 217 394</b>	-	<b>865 217 394</b>	<b>858 944 007</b>	<b>(6 273 387)</b>	
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Payables from exchange transactions	14 633 000	-	14 633 000	4 445 148	(10 187 852)	Note 47
Employee benefit obligation	30 056 434	-	30 056 434	29 414 165	(642 269)	Note 47
Unspent conditional grants and receipts	2 000 000	-	2 000 000	4 597 666	2 597 666	Note 47
Provisions	14 000	-	14 000	13 471	(529)	Note 47
	<b>46 703 434</b>	-	<b>46 703 434</b>	<b>38 470 450</b>	<b>(8 232 984)</b>	
<b>Non-Current Liabilities</b>						
Employee benefit obligation	159 166 474	-	159 166 474	145 267 952	(13 898 522)	Note 47
	<b>46 703 434</b>	-	<b>46 703 434</b>	<b>38 470 450</b>	<b>(8 232 984)</b>	
	<b>159 166 474</b>	-	<b>159 166 474</b>	<b>145 267 952</b>	<b>(13 898 522)</b>	
<b>Total Liabilities</b>	<b>205 869 908</b>	-	<b>205 869 908</b>	<b>183 738 402</b>	<b>(22 131 506)</b>	
<b>Assets</b>	<b>865 217 394</b>	-	<b>865 217 394</b>	<b>858 944 007</b>	<b>(6 273 387)</b>	
<b>Liabilities</b>	<b>(205 869 908)</b>	-	<b>(205 869 908)</b>	<b>(183 738 402)</b>	<b>22 131 506</b>	
<b>Net Assets</b>	<b>659 347 486</b>	-	<b>659 347 486</b>	<b>675 205 605</b>	<b>15 858 119</b>	



2019 -11- 30

AUDITOR - GENERAL  
SOUTH AFRICA

**Cape Winelands District Municipality**  
 Financial Statements for the year ended 30 June 2019

**Statement of Comparison of Budget and Actual Amounts**

<b>Budget on Accrual Basis</b>						
	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
<b>Figures in Rand</b>						
<b>Net Assets</b>						
<b>Net Assets Attributable to Owners of Controlling Entity</b>						
<b>Reserves</b>						
<b>Accumulated surplus</b>	659 347 486	-	659 347 486	675 205 605	15 858 119	Note 47

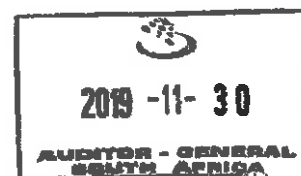


**Cape Winelands District Municipality**  
Financial Statements for the year ended 30 June 2019

**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						
<b>Cash Flow Statement</b>						
<b>Cash flows from operating activities</b>						
<b>Receipts</b>						
Sale of goods and services	128 508 843	-	128 508 843	111 272 150	(17 234 693)	Note 47
Grants	234 622 652	-	234 622 652	231 988 667	(2 633 985)	Note 47
Interest income	51 000 000	-	51 000 000	53 984 794	2 984 794	Note 47
	<b>414 029 495</b>	<b>-</b>	<b>414 029 495</b>	<b>397 225 611</b>	<b>(16 803 884)</b>	
<b>Payments</b>						
Employee costs	(198 297 075)	-	(198 297 075)	(182 881 105)	15 416 970	Note 47
Suppliers	(161 918 167)	-	(161 918 167)	(147 867 921)	14 048 246	Note 47
Other payments: remuneration to councillors	(12 458 055)	-	(12 458 055)	(12 171 102)	286 953	Note 47
	<b>(372 671 297)</b>	<b>-</b>	<b>(372 671 297)</b>	<b>(342 920 128)</b>	<b>29 751 169</b>	
Total receipts	414 029 495	-	414 029 495	397 225 611	(16 803 884)	
Total payments	(372 671 297)	-	(372 671 297)	(342 920 128)	29 751 169	
<b>Net cash flows from operating activities</b>	<b>41 358 198</b>	<b>-</b>	<b>41 358 198</b>	<b>54 305 483</b>	<b>12 947 285</b>	
<b>Cash flows from investing activities</b>						
Purchase of property, plant and equipment	(16 812 960)	-	(16 812 960)	(13 984 693)	2 828 067	Note 47
Proceeds from sale of property, plant and equipment	-	-	-	198 890	198 890	Note 47
Purchase of other intangible assets	-	-	-	(263 312)	(263 312)	Note 47
<b>Net cash flows from investing activities</b>	<b>(16 812 960)</b>	<b>-</b>	<b>(16 812 960)</b>	<b>(14 049 315)</b>	<b>2 763 645</b>	
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>24 545 238</b>	<b>-</b>	<b>24 545 238</b>	<b>40 256 168</b>	<b>15 710 930</b>	
<b>Cash and cash equivalents at the beginning of the year</b>	<b>616 034 060</b>	<b>-</b>	<b>616 034 060</b>	<b>616 034 060</b>	<b>-</b>	
<b>Cash and cash equivalents at the end of the year</b>	<b>640 579 298</b>	<b>-</b>	<b>640 579 298</b>	<b>656 290 228</b>	<b>15 710 930</b>	



# Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2019

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## 1. Presentation of Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

All figures have been rounded to the nearest Rand.

These annual financial statements have been prepared on a going concern basis.

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

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

These accounting policies are consistent with the previous period.

### 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.



**Cape Winelands District Municipality**  
Financial Statements for the year ended 30 June 2019

## **Accounting Policies**

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### **1.1 Significant judgements and sources of estimation uncertainty (continued)**

#### **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.

#### **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 15.

#### **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.

### **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 Integrated Development Plan. 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.
- 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.



## Accounting Policies

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### 1.2 Reserves (continued)

#### 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/credited 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 Western Cape Provincial Government 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.

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.

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**Accounting Policies**

**1.4 Property, plant and equipment (continued)**

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

- (i) Plant and equipment - at cost less accumulated depreciation and accumulated impairment losses
- (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	30-50
Infrastructure	Straight line	15-50
Furniture and fittings	Straight line	3-20
Motor vehicles	Straight line	5-27
Office equipment	Straight line	3-20
Plant and equipment	Straight line	3-50
Other property, plant and equipment	Straight line	3-46
Leased assets	Straight line	5-9

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).

**Impairment**

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

**Cape Winelands District Municipality**  
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## Accounting Policies

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### 1.4 Property, plant and equipment (continued)

- (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.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

## Accounting Policies

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### 1.5 Intangible assets (continued)

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 - 10 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 the Standard of 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 184 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.

### 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.

# Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2019

## Accounting Policies

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### 1.7 Changes in accounting policies, estimates errors (continued)

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.

#### 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.

## Accounting Policies

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### 1.8 Financial Instruments (continued)

#### 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.

#### Impairment and uncollectibility of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

For amounts due to the municipality, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment.

#### Financial assets measured at amortised cost

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

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.

**Cape Winelands District Municipality**  
Financial Statements for the year ended 30 June 2019

## Accounting Policies

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### 1.8 Financial instruments (continued)

#### Derecognition

##### Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity :
  - 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.

### 1.9 Leases

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

When a lease includes both land and buildings elements, the 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.



## **Accounting Policies**

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### **1.8 Leases (continued)**

#### **Operating leases - lessor**

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

The difference between the amounts recognised as revenue and the contractual receipts are recognised as an operating lease asset or liability.

#### **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.

### **1.10 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.

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.

# Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2019

## Accounting Policies

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### 1.11 Grants In Aid

The Municipality annually awards grants to organisations in terms of Section 67 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003). 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.

### 1.12 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.

### 1.13 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 2018/07/01 to 2019/06/30.

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

### 1.14 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.

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.

## **Accounting Policies**

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### **1.14 Related parties (continued)**

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.

### **1.15 Value added Tax (VAT)**

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).

### **1.16 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.

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.

## **Accounting Policies**

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### **1.16 Impairment of cash-generating assets (continued)**

#### **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**

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### **1.16 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.

### **1.17 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.

## Accounting Policies

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### 1.17 Impairment of non-cash-generating assets (continued)

#### Value in use

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

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.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

#### Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

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 the Standards of 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.

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## **Accounting Policies**

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### **1.18 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 estimates. 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.

Provisions are not recognised for future operating surplus (deficit).

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 44.

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.

### **1.19 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.

### **1.20 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.

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.

## **Accounting Policies**

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### **1.20 Revenue from exchange transactions (continued)**

#### **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.

#### **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.

### **1.21 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 non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.



**Cape Winelands District Municipality**  
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## **Accounting Policies**

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### **1.21 Revenue from non-exchange transactions (continued)**

#### **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.

#### **Gifts and donations, including goods in-kind**

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

#### **Services in-kind**

Services in-kind are not recognised.

### **1.22 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.

### **1.23 Comparative figures**

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. Refer to notes 32 for detail.

### **1.24 Unauthorized expenditure**

Unauthorized 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 Municipal Finance Management Act.

All expenditure relating to unauthorized 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.

### **1.25 Fruitless and wasteful expenditure**

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

## **Accounting Policies**

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### **1.25 Fruitless and wasteful expenditure (continued)**

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.

### **1.26 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.

### **1.27 Employee benefits**

#### **Short-term employee benefits**

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus 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.

## **Accounting Policies**

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### **1.27 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

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### 1.27 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).

## **Accounting Policies**

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### **1.27 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.

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**Notes to the Financial Statements**

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**2. New standards and interpretations**

**2.1 Standards and Interpretations early adopted**

The municipality has chosen to early adopt the following standards and Interpretations:

**2.2 Standards and interpretations issued, but not yet effective**

The municipality has not applied the following standards and Interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2019 or later periods:

**IGRAP 20: Accounting for Adjustments to Revenue**

As per the background to this Interpretation of the Standards of GRAP, there are a number of legislative and regulatory processes that govern how entities levy, charge or calculate revenue, in the public sector. Adjustments to revenue already recognised in terms of legislation or similar means arise from the completion of an internal review process within the entity, and/or the outcome of an external appeal or objection process undertaken in terms of legislation or similar means. Adjustments to revenue include any refunds that become payable as a result of the completion of a review, appeal or objection process. The adjustments to revenue already recognised following the outcome of a review, appeal or objection process can either result in a change in an accounting estimate, or a correction of an error.

As per the scope, this Interpretation of the Standards of GRAP clarifies the accounting for adjustments to exchange and non-exchange revenue charged in terms of legislation or similar means, and interest and penalties that arise from revenue already recognised as a result of the completion of a review, appeal or objection process. Changes to the measurement of receivables and payables, other than those changes arising from applying this Interpretation, are dealt with in accordance with the applicable Standards of GRAP. The principles in this Interpretation may be applied, by analogy, to the accounting for adjustments to exchange or non-exchange revenue that arises from contractual arrangements where the fact patterns are similar to those in the Interpretation.

The interpretation sets out the issues and relating consensus with accounting for adjustments to revenue.

The effective date of the Interpretation is for years beginning on or after 01 April 2020.

The municipality expects to adopt the interpretation for the first time in the 2019/2020 financial statements.

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

**GRAP 34: Separate Financial Statements**

The objective of this Standard is to prescribe the accounting and disclosure requirements for investments in controlled entities, joint ventures and associates when an entity prepares separate financial statements.

It furthermore covers Definitions, Preparation of separate financial statements, Disclosure, Transitional provisions and Effective date.

The effective date of the standard is for years beginning on or after 01 April 2020.

The municipality expects to adopt the standard for the first time in the 2019/2020 financial statements.

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

**GRAP 35: Consolidated Financial Statements**

The objective of this Standard is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.

To meet this objective, the Standard:

- requires an entity (the controlling entity) that controls one or more other entities (controlled entities) to present consolidated financial statements;
- defines the principle of control, and establishes control as the basis for consolidation;
- sets out how to apply the principle of control to identify whether an entity controls another entity and therefore must consolidate that entity;



**Cape Winelands District Municipality**  
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## **Notes to the Financial Statements**

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**2. New standards and Interpretations (continued)**

- sets out the accounting requirements for the preparation of consolidated financial statements; and
- defines an investment entity and sets out an exception to consolidating particular controlled entities of an investment entity.

It furthermore covers Definitions, Control, Accounting requirements, Investment entities: Fair value requirement, Transitional provisions and Effective date.

The effective date of the standard is for years beginning on or after 01 April 2020.

The municipality expects to adopt the standard for the first time in the 2019/2020 financial statements.

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

**GRAP 36: Investments in Associates and Joint Ventures**

The objective of this Standard is to prescribe the accounting for investments in associates and joint ventures and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

It furthermore covers Definitions, Significant influence, Equity method, Application of the equity method, Separate financial statements, Transitional provisions and Effective date.

The effective date of the standard is for years beginning on or after 01 April 2020.

The municipality expects to adopt the standard for the first time in the 2019/2020 financial statements.

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

**GRAP 37: Joint Arrangements**

The objective of this Standard is to establish principles for financial reporting by entities that have an interest in arrangements that are controlled jointly (i.e. joint arrangements).

To meet this objective, the Standard defines joint control and requires an entity that is a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and to account for those rights and obligations in accordance with that type of joint arrangement.

It furthermore covers Definitions, Joint arrangements, Financial statements and parties to a joint arrangement, Separate financial statements, Transitional provisions and Effective date.

The effective date of the standard is for years beginning on or after 01 April 2020

The municipality expects to adopt the standard for the first time in the 2019/2020 financial statements.

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

**GRAP 38: Disclosure of Interests in Other Entities**

The objective of this Standard is to require an entity to disclose information that enables users of its financial statements to evaluate:

- the nature of, and risks associated with, its interests in controlled entities, unconsolidated controlled entities, joint arrangements and associates, and structured entities that are not consolidated; and
- the effects of those interests on its financial position, financial performance and cash flows.

It furthermore covers Definitions, Disclosing information about interests in other entities, Significant judgements and assumptions, Investment entity status, Interests in controlled entities, Interests in joint arrangements and associates, Interests in structured entities that are not consolidated, Non-qualitative ownership interests, Controlling interests acquired with the intention of disposal, Transitional provisions and Effective date.

The effective date of the standard is for years beginning on or after 01 April 2020.

The municipality expects to adopt the standard for the first time in the 2019/2020 financial statements.

## Notes to the Financial Statements

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### 2. New standards and Interpretations (continued)

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

#### **GRAP 110 (as amended 2016): Living and Non-living Resources**

The objective of this Standard is to prescribe the:

- recognition, measurement, presentation and disclosure requirements for living resources; and
- disclosure requirements for non-living resources

It furthermore covers Definitions, Recognition, Measurement, Depreciation, Impairment, Compensation for impairment, Transfers, Derecognition, Disclosure, Transitional provisions and Effective date.

The subsequent amendments to the Standard of GRAP on Living and Non-living Resources resulted from editorial changes to the original text and inconsistencies in measurement requirements in GRAP 23 and other asset-related Standards of GRAP in relation to the treatment of transaction costs. Other changes resulted from changes made to IPSAS 17 on Property, Plant and Equipment (IPSAS 17) as a result of the IPSASB's Improvements to IPSASs 2014 issued in January 2015 and Improvements to IPSASs 2015 issued in March 2016.

The most significant changes to the Standard are:

- **General improvements:** To clarify the treatment of transaction costs and other costs incurred on assets acquired in non-exchange transactions to be in line with the principle in GRAP 23; and To clarify the measurement principle when assets may be acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets
- **IPSASB amendments:** To clarify the revaluation methodology of the carrying amount and accumulated depreciation when a living resource is revalued; To clarify acceptable methods of depreciating assets; and To define a bearer plant and include bearer plants within the scope of GRAP 17 or GRAP 110, while the produce growing on bearer plants will remain within the scope of GRAP 27

The effective date of the standard is for years beginning on or after 01 April 2020.

The municipality expects to adopt the standard for the first time in the 2019/2020 financial statements.

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

#### **IGRAP 1 (revised): Applying the Probability Test on Initial Recognition of Revenue**

The amendments to this Interpretation of the Standard of GRAP clarifies that the entity should also consider other factors in assessing the probability of future economic benefits or service potential to the entity. Entities are also uncertain of the extent to which factors, other than the uncertainty about the collectability of revenue, should be considered when determining the probability of the inflow of future economic benefits or service potential on initial recognition of revenue. For example, in providing certain goods or services, or when charging non-exchange revenue, the amount of revenue charged may be reduced or otherwise modified under certain circumstances. These circumstances include, for example, where the entity grants early settlement discounts, rebates or similar reductions based on the satisfaction of certain criteria, or as a result of adjustments to revenue already recognised following the outcome of any review, appeal or objection process.

The consensus is that on initial recognition of revenue, an entity considers the revenue it is entitled to, following its obligation to collect all revenue due to it in terms of legislation or similar means. In addition, an entity considers other factors that will impact the probable inflow of future economic benefits or service potential, based on past experience and current facts and circumstances that exist on initial recognition.

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

The effective date of the amendment is for years beginning on or after 01 April 2019.

The municipality expects to adopt the interpretation for the first time in the 2019/2020 financial statements.

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

#### **GRAP 18 (as amended 2016): Segment Reporting**



## Notes to the Financial Statements

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### 2. New standards and interpretations (continued)

Segments are identified by the way in which information is reported to management, both for purposes of assessing performance and making decisions about how future resources will be allocated to the various activities undertaken by the municipality. The major classifications of activities identified in budget documentation will usually reflect the segments for which an entity reports information to management.

Segment information is either presented based on service or geographical segments. Service segments relate to a distinguishable component of an entity that provides specific outputs or achieves particular operating objectives that are in line with the municipality's overall mission. Geographical segments relate to specific outputs generated, or particular objectives achieved, by an entity within a particular region.

The subsequent amendments to the Standard of GRAP on Segment Reporting resulted from editorial and other changes to the original text have been made to ensure consistency with other Standards of GRAP.

The most significant changes to the Standard are:

- **General improvements:** An appendix with illustrative segment disclosures has been deleted from the Standard as the National Treasury has issued complete examples as part of its implementation guidance.

The effective date of the standard is for years beginning on or after 01 April 2020

The municipality expects to adopt the standard for the first time in the 2019/2019 financial statements.

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

#### **GRAP 20: Related parties**

The objective of this standard is to ensure that a reporting entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

An entity that prepares and presents financial statements under the accrual basis of accounting (in this standard referred to as the reporting entity) shall apply this standard in:

- identifying related party relationships and transactions;
- identifying outstanding balances, including commitments, between an entity and its related parties;
- identifying the circumstances in which disclosure of the items in (a) and (b) is required; and
- determining the disclosures to be made about those items.

This standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of the reporting entity in accordance with the Standard of GRAP on Consolidated and Separate Financial Statements. This standard also applies to individual financial statements.

Disclosure of related party transactions, outstanding balances, including commitments, and relationships with related parties may affect users' assessments of the financial position and performance of the reporting entity and its ability to deliver agreed services, including assessments of the risks and opportunities facing the entity. This disclosure also ensures that the reporting entity is transparent about its dealings with related parties.

The standard states that a related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to the reporting entity if that person:
  - has control or joint control over the reporting entity;
  - has significant influence over the reporting entity;
  - is a member of the management of the entity or its controlling entity.

## Notes to the Financial Statements

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### 2. New standards and interpretations (continued)

- An entity is related to the reporting entity if any of the following conditions apply:
  - the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others);
  - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
  - both entities are joint ventures of the same third party;
  - one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
  - the entity is controlled or jointly controlled by a person identified in (a); and
  - a person identified in (a)(i) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

The standard furthermore states that related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

The standard elaborates on the definitions and identification of:

- Close member of the family of a person;
- Management;
- Related parties;
- Remuneration; and
- Significant influence

The standard sets out the requirements, inter alia, for the disclosure of:

- Control;
- Related party transactions; and
- Remuneration of management

The effective date of the standard is for years beginning on or after 01 April 2019.

The municipality expects to adopt the standard for the first time in the 2019/2019 financial statements.

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

#### **GRAP 32: Service Concession Arrangements: Grantor**

The objective of this Standard is: to prescribe the accounting for service concession arrangements by the grantor, a public sector entity.

It furthermore covers: Definitions, recognition and measurement of a service concession asset, recognition and measurement of liabilities, other liabilities, contingent liabilities, and contingent assets, other revenues, presentation and disclosure, transitional provisions, as well as the effective date.

The effective date of the standard is for years beginning on or after 01 April 2019.

The municipality expects to adopt the standard for the first time in the 2019/2019 financial statements.

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

#### **GRAP 108: Statutory Receivables**

The objective of this Standard is: to prescribe accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables.

It furthermore covers: Definitions, recognition, derecognition, measurement, presentation and disclosure, transitional provisions, as well as the effective date.

The effective date of the Interpretation is for years beginning on or after 01 April 2019.

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

## **Notes to the Financial Statements**

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### **2. New standards and Interpretations (continued)**

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

#### **GRAP 109: Accounting by Principals and Agents**

The objective of this Standard is to outline principles to be used by an entity to assess whether it is party to a principal-agent arrangement, and whether it is a principal or an agent in undertaking transactions in terms of such an arrangement. The Standard does not introduce new recognition or measurement requirements for revenue, expenses, assets and/or liabilities that result from principal-agent arrangements. The Standard does however provide guidance on whether revenue, expenses, assets and/or liabilities should be recognised by an agent or a principal, as well as prescribe what information should be disclosed when an entity is a principal or an agent.

It furthermore covers Definitions, Identifying whether an entity is a principal or agent, Accounting by a principal or agent, Presentation, Disclosure, Transitional provisions and Effective date.

The effective date of the interpretation is for years beginning on or after 01 April 2019.

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

The impact of this standard is currently being assessed.

#### **IGRAP 17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset**

This Interpretation of the Standards of GRAP provides guidance to the grantor where it has entered into a service concession arrangement, but only controls, through ownership, beneficial entitlement or otherwise, a significant residual interest in a service concession asset at the end of the arrangement, where the arrangement does not constitute a lease. This Interpretation of the Standards of GRAP shall not be applied by analogy to other types of transactions or arrangements.

A service concession arrangement is a contractual arrangement between a grantor and an operator in which the operator uses the service concession asset to provide a mandated function on behalf of the grantor for a specified period of time. The operator is compensated for its services over the period of the service concession arrangement, either through payments, or through receiving a right to earn revenue from third party users of the service concession asset, or the operator is given access to another revenue-generating asset of the grantor for its use.

Before the grantor can recognise a service concession asset in accordance with the Standard of GRAP on Service Concession Arrangements: Grantor, both the criteria as noted in paragraph .01 of this Interpretation of the Standards of GRAP need to be met. In some service concession arrangements, the grantor only controls the residual interest in the service concession asset at the end of the arrangement, and can therefore not recognise the service concession asset in terms of the Standard of GRAP on Service Concession Arrangements: Grantor.

A consensus is reached, in this Interpretation of the Standards of GRAP, on the recognition of the performance obligation and the right to receive a significant interest in a service concession asset.

The effective date of the interpretation is for years beginning on or after 01 April 2019.

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

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

#### **IGRAP 18: Interpretation of the Standard of GRAP on Recognition and Derecognition of Land**

This Interpretation of the Standards of GRAP applies to the initial recognition and derecognition of land in an entity's financial statements. It also considers joint control of land by more than one entity.

## Notes to the Financial Statements

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### 2. New standards and interpretations (continued)

When an entity concludes that it controls the land after applying the principles in this Interpretation of the Standards of GRAP, it applies the applicable Standard of GRAP, i.e. the Standard of GRAP on Inventories, Investment Property (GRAP 16), Property, Plant and Equipment (GRAP 17) or Heritage Assets. As this Interpretation of the Standards of GRAP does not apply to the classification, initial and subsequent measurement, presentation and disclosure requirements of land, the entity applies the applicable Standard of GRAP to account for the land once control of the land has been determined. An entity also applies the applicable Standards of GRAP to the derecognition of land when it concludes that it does not control the land after applying the principles in this Interpretation of the Standards of GRAP.

In accordance with the principles in the Standards of GRAP, buildings and other structures on the land are accounted for separately. These assets are accounted for separately as the future economic benefits or service potential embodied in the land differs from those included in buildings and other structures. The recognition and derecognition of buildings and other structures are not addressed in this Interpretation of the Standards of GRAP.

The effective date of the interpretation is for years beginning on or after 01 April 2019.

The municipality expects to adopt the interpretation for the first time in the 2019/2019 financial statements.

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

#### **IGRAP 19: Liabilities to Pay Levies**

This Interpretation of the Standards of GRAP provides guidance on the accounting for levies in the financial statements of the entity that is paying the levy. It clarifies when entities need to recognise a liability to pay a levy that is accounted for in accordance with GRAP 19.

To clarify the accounting for a liability to pay a levy, this Interpretation of the Standards of GRAP addresses the following issues:

- What is the obligating event that gives rise to the recognition of a liability to pay a levy?
- Does economic compulsion to continue to operate in a future period create a constructive obligation to pay a levy that will be triggered by operating in that future period?
- Does the going concern assumption imply that an entity has a present obligation to pay a levy that will be triggered by operating in a future period?
- Does the recognition of a liability to pay a levy arise at a point in time or does it, in some circumstances, arise progressively over time?
- What is the obligating event that gives rise to the recognition of a liability to pay a levy that is triggered if a minimum threshold is reached?

Consensus reached in this interpretation:

- The obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation;
- An entity does not have a constructive obligation to pay a levy that will be triggered by operating in a future period as a result of the entity being economically compelled to continue to operate in that future period;
- The preparation of financial statements under the going concern assumption does not imply that an entity has a present obligation to pay a levy that will be triggered by operating in a future period;
- The liability to pay a levy is recognised progressively if the obligating event occurs over a period of time;
- If an obligation to pay a levy is triggered when a minimum threshold is reached, the accounting for the liability that arises from that obligation shall be consistent with the principles established in this Interpretation of the Standards of GRAP; and
- An entity shall recognise an asset, in accordance with the relevant Standard of GRAP, if it has prepaid a levy but does not yet have a present obligation to pay that levy.

The effective date of the interpretation is for years beginning on or after 01 April 2019

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

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

# Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2019

## Notes to the Financial Statements

Figures in Rand 2019 2018

### 3. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	3 100	3 100
Bank balances	5 287 128	14 030 860
Short-term investments	651 000 000	602 000 000
	<b>656 290 228</b>	<b>616 034 060</b>

Included in the balance of cash and cash equivalents is an amount of R 22 948 015 (2018: R 15 778 083) relating to the portion recovered from the Provincial Government Western Cape, Department of Transport and Public Works, in respect of the future medical aid liability of the roads staff.

No cash and cash equivalents have been pledged as security.

#### Short-term investments

<b>ABSA - Investment</b>		
Opening balance	130 000 000	143 000 000
Movements for the year	8 000 000	(13 000 000)
	<b>138 000 000</b>	<b>130 000 000</b>

<b>FNB - Investment</b>		
Opening balance	82 000 000	105 000 000
Movements for the year	27 000 000	(23 000 000)
	<b>109 000 000</b>	<b>82 000 000</b>

<b>INVESTEC - Investment</b>		
Opening balance	91 000 000	61 000 000
Movements for the year	17 000 000	10 000 000
	<b>108 000 000</b>	<b>71 000 000</b>

<b>NEDCOR - Investment</b>		
Opening balance	151 000 000	139 000 000
Movements for the year	4 000 000	12 000 000
	<b>155 000 000</b>	<b>151 000 000</b>

<b>STANDARD BANK - Investment</b>		
Opening balance	148 000 000	116 000 000
Movements for the year	(7 000 000)	32 000 000
	<b>141 000 000</b>	<b>148 000 000</b>

**Cape Winelands District Municipality**  
Financial Statements for the year ended 30 June 2019

**Notes to the Financial Statements**

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**3. Cash and cash equivalents (continued)**

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2019	30 June 2018	30 June 2017	30 June 2019	30 June 2018	30 June 2017
ABSA BANK - Primary bank account	-	-	8 127 404	-	-	8 127 404
Nedbank - Primary bank account	2 787 126	5 030 960	-	11 317 410	5 030 960	-
Nedbank - Call account	2 500 000	9 000 000	-	-	-	-
<b>Total</b>	<b>5 287 126</b>	<b>14 030 960</b>	<b>8 127 404</b>	<b>11 317 410</b>	<b>5 030 960</b>	<b>8 127 404</b>

**4. Other receivables from exchange transactions**

Allowance for impairment	(32 302)	(37 121)
Prepayments	3 076 009	3 320 954
Deposits	471 738	556 738
Insurance claims	249 950	88 371
Municipal health debtor	51 688	63 982
Staff debt	466 434	-
Rental	27 073	11 922
Councillors	79 984	95 984
Accrued interest	21 386 058	21 057 188
Roads function (Department of Transport and Public Works)	3 813 475	-
Other receivables	169 652	90 392
Post retirement medical aid	244 667	242 413
	<b>30 004 426</b>	<b>25 490 823</b>

**Other receivables pledged as security**

No other receivables were pledged as security.

No collateral is held for any of the debtors disclosed above.

**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**

<b>Gross balances</b>		
Other receivables from exchange transactions	30 036 728	25 527 945
<b>Less: Allowance for impairment</b>		
Other receivables	455	260
Post retirement medical aid	31 846	36 862
	<b>32 301</b>	<b>37 122</b>
<b>Net balance</b>		
Other receivables	<b>30 004 426</b>	<b>25 453 701</b>

**Cape Winelands District Municipality**  
Financial Statements for the year ended 30 June 2019

**Notes to the Financial Statements**

Figures in Rand	2019	2018
<b>4. Other receivables from exchange transactions (continued)</b>		
<b>Other receivables from exchange transactions</b>		
Current (0 - 30 days)	4 438 814	370 289
31 - 60 days	5 420	4 315
61 - 90 days	1 896	1 453
91 - 120 days	74	1 453
121 - 365 days	8 839	-
> 365 days	540 889	839 187
	<u>4 985 942</u>	<u>1 016 697</u>

None of the financial assets that are fully performing have been renegotiated in the last year.

Prepayments of R 3 076 009 (2018: R 3 320 954), staff debt of R 466 434 (2018: Rnil) and councillor debt R 79 984 (2018: R95 984) were not included as the future economic benefits relate to the receipt of goods and services. The interest accrual of R 21 386 058 (2018: R 21 057 188 ) 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 past due. The impairment of other receivables from exchange transactions is based on the historic payment rate of the receivable.

As at 30 June 2019 other receivables of R 637 112 (2018: R 683 521) 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	(37 121)	(22 841)
Provision for impairment	(5 539)	(14 280)
Amounts written off	280	-
Reversal of allowance	10 099	-
	<u>(32 301)</u>	<u>(37 121)</u>

**5. Trade Receivables from exchange transactions**

<b>Gross balances</b>		
Fire Fighting	132 671	52 272
<b>Less: Allowance for impairment</b>		
Fire Fighting	(97 901)	(37 623)
<b>Net balance</b>		
Fire Fighting	34 770	14 649
<b>Fire fighting</b>		
Current (0 -30 days)	24 936	14 649
31 - 60 days	9 838	-
61 - 90 days	15 099	2 438
91 - 120 days	-	2 438
121 - 365 days	30 514	32 747
> 365 days	52 287	-
	<u>132 671</u>	<u>52 272</u>

**Cape Winelands District Municipality**  
Financial Statements for the year ended 30 June 2019

**Notes to the Financial Statements**

Figures in Rand	2019	2018
<b>5. Trade Receivables from exchange transactions (continued)</b>		
<b>Reconciliation of allowance for Impairment</b>		
Balance at beginning of the year	(37 623)	(2 239 846)
Contributions to allowance	(60 278)	(55 411)
Debt impairment written off against allowance	-	2 257 634
	<u>(97 901)</u>	<u>(37 623)</u>

**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 consumer debtors**

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.

**Consumer debtors 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 was calculated based on the assessment of each individual debtor as a historic payment trend cannot be determined for firefighting debtors.

As at 30 June 2019 consumer debtors of R nil (2018: R nil) were past due but not impaired.

**Consumer debtors impaired**

As at 30 June 2019, consumer debtors of R 97 901 (2018: R 37 623 ) were impaired and provided for.

The amount of the allowance for impairment is R 97 901 at June 2019 (2018: R 37 623 ).

The ageing of these debtors are as follow:

61 to 90 days	15 099	-
91 to 120 days	-	2 438
121 days and more	82 802	35 185

The prior year amount disclosed for 121 days and more was restated from R32 747 to R35 185.

**6. Inventories**

Consumable stores	2 459 311	2 286 953
Housing Stock	72 940	72 940
	<u>2 532 251</u>	<u>2 359 893</u>

No inventory has been pledged as security.

Consumables valued at R 43 355 (2017: R nil) were written off and recognised in the Statement of Financial Performance. Inventory valued at R 5 253 394.89 (2017: R 5 705 374.38) were expensed in the Statement of Financial Performance.



**Cape Winelands District Municipality**  
Financial Statements for the year ended 30 June 2019

**Notes to the Financial Statements**

Figures in Rand 2019 2018

**7. VAT receivable**

VAT	<u>110 626</u>	<u>3 275 644</u>
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**8. Receivables from non-exchange transactions**

Government grants and subsidies	<u>73 254</u>	<u>69 458</u>
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**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 2019, receivables from non-exchange transactions of Rnil (2018: Rnil) were impaired and provided for.

**Net balances**

Government grant and subsidies	<u>73 254</u>	<u>69 458</u>
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**Government grant and subsidies**

Current (0 -30 days)	73 254	64 700
31 - 60 days	-	4 758
	<u>73 254</u>	<u>69 458</u>

**Reconciliation of allowance for impairment of receivables from non-exchange transactions**

Opening balance	<u>-</u>	<u>-</u>
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**9. Property, plant and equipment**

	2019			2018		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	66 384 904	-	66 384 904	66 384 904	-	66 384 904
Buildings	47 821 485	(24 815 034)	23 006 451	46 431 042	(23 478 596)	22 952 446
Plant and equipment	20 738 144	(10 613 690)	10 124 454	18 504 264	(8 877 589)	9 626 675
Furniture and fittings	8 062 631	(5 088 134)	2 974 497	8 130 436	(4 728 630)	3 401 806
Motor vehicles	47 744 363	(20 048 998)	27 695 365	44 866 546	(17 516 623)	27 349 923
Office equipment	28 249 660	(13 890 191)	14 359 469	25 864 888	(10 499 180)	15 365 708
Infrastructure	3 676 698	(750 862)	2 925 836	2 714 223	(658 958)	2 055 265
Other property, plant and equipment	8 510 488	(3 348 696)	5 161 792	6 822 801	(2 746 062)	4 076 739
<b>Total</b>	<b>231 087 271</b>	<b>(78 366 905)</b>	<b>152 720 366</b>	<b>219 719 104</b>	<b>(68 606 636)</b>	<b>151 212 468</b>



**Cape Winelands District Municipality**  
Financial Statements for the year ended 30 June 2019

**Notes to the Financial Statements**

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**9. Property, plant and equipment (continued)**

At 30 June 2019 work in progress was Rnil (2018: R 481 681). The work in progress of the 2017/2018 financial year related to buildings.

**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 the majority 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.

Two properties consisting of two houses and one parking area were identified that are rented to the public. A significant portion of both the properties (land and buildings) are held by the municipality for administrative purposes.

These properties are currently rented out for a specified period per the lease agreements entered into after a tender was awarded to the lessees. Prior to the expiry of the lease agreement the municipality will re-assess whether the use of these assets will be for municipal administrative purposes or whether capacity exists to enable a new lease to be considered.

A significant portion of the properties are held for administrative purposes. The consideration of a new lease is based on the need of the municipality prior to expiry of the lease agreements. These two properties meet the criteria set out above as Property, plant and equipment. These assets have been classified as Property, plant and equipment.

**Reconciliation of property, plant and equipment - 2019**

	Opening balance	Additions	Disposals	Depreciation	Total
Land	66 384 904	-	-	-	66 384 904
Buildings	22 952 448	1 380 442	-	(1 136 439)	23 206 451
Plant and equipment	9 626 674	2 472 776	(70 257)	(1 905 039)	10 124 154
Furniture and fittings	3 401 806	199 033	(114 484)	(511 858)	2 974 497
Motor vehicles	27 349 922	4 324 278	(566 207)	(3 412 628)	27 695 365
Office equipment	15 365 708	3 082 884	(293 884)	(3 795 259)	14 359 469
Infrastructure	2 055 265	861 373	-	(91 904)	2 824 734
Other property, plant and equipment	4 076 738	1 654 107	(1 713)	(567 340)	5 161 792
	<b>151 213 465</b>	<b>13 984 893</b>	<b>(1 046 525)</b>	<b>(11 420 467)</b>	<b>152 731 366</b>

**Reconciliation of property, plant and equipment - 2018**

	Opening balance	Additions	Disposals	Depreciation	Total
Land	66 682 563	-	(3 297 659)	-	66 384 904
Buildings	24 759 370	1 572 534	(2 298 575)	(1 080 883)	22 952 448
Plant and equipment	8 920 983	2 423 485	(80 823)	(1 638 950)	9 626 675
Furniture and fittings	3 228 381	618 680	(22 807)	(422 648)	3 401 806
Motor vehicles	26 833 334	6 455 735	(3 146 854)	(2 882 492)	27 349 923
Office equipment	13 429 286	5 579 616	(467 068)	(3 176 128)	15 365 708
Infrastructure	1 372 299	747 467	-	(64 501)	2 055 265
Other property, plant and equipment	3 670 604	810 511	-	(404 376)	4 076 738
	<b>151 986 820</b>	<b>18 208 008</b>	<b>(9 313 386)</b>	<b>(9 677 976)</b>	<b>151 213 466</b>



2019 -11- 30

AUDITOR - GENERAL  
SOUTH AFRICA

**Cape Winelands District Municipality**  
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**9. Property, plant and equipment (continued)**

**Reconciliation of repairs and maintenance 2019**

	Contracted services	Employee related cost	Materials and Supplies	Total
Buildings	1 899 303	1 772 863	122 417	3 794 383
Office equipment	716 008	-	2 238	718 244
Plant and equipment	201 651	-	6 283	207 934
Furniture and fittings	11 559	-	150	11 709
Motor vehicles	1 167 664	-	543 419	1 711 083
Other	121 683	-	-	121 683
	<u>4 117 866</u>	<u>1 772 663</u>	<u>674 507</u>	<u>6 565 036</u>

**Reconciliation of repairs and maintenance 2018**

	Contracted services	Employee related cost	Materials and Supplies	Total
Buildings	1 782 643	1 616 869	153 363	3 552 875
Office equipment	1 786 526	-	5 696	1 792 222
Plant and equipment	208 948	-	32 742	241 690
Furniture and fittings	3 037	-	-	3 037
Motor vehicles	1 783 505	-	779 669	2 573 104
Other	94 838	-	2 181	97 019
	<u>5 669 497</u>	<u>1 616 869</u>	<u>973 681</u>	<u>8 269 947</u>

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

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 recognized on Property, Plant and Equipment of the municipality at the reporting date.

An 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 preceding reporting date. There was changes in the estimated useful lives of various assets of the municipality for the financial year. Refer to Note 46 for details relating to the change in accounting estimates.

**10. Intangible assets**

	2019			2018		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	2 071 630	(1 545 038)	526 592	1 852 552	(1 217 862)	634 690



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**10. Intangible assets (continued)**

**Reconciliation of intangible assets - 2019**

	Opening balance	Additions acquired	Disposals	Amortisation	Total
Computer software, other	634 691	263 312	(33 853)	(337 558)	526 592

**Reconciliation of intangible assets - 2018**

	Opening balance	Additions acquired	Disposals	Amortisation	Total
Computer software, other	991 772	61 760	(83 859)	(334 983)	634 690

**11. Operating lease liability**

Operating leases relate to buildings that are recognised on a straight line basis with lease terms of between one to 3 years. The Municipality does not have an option to purchase the leased asset at the expiry of the lease period.

**Liability**

Non-current portion of straight lining	-	6 477
Current portion	-	13 605
	-	20 082

The Municipality entered into operating leases for the rental of office facilities. The lease agreements are between LSW Elendomme BK, Witzenberg Municipality and Stellenbosch Municipality. The contracts are for a 3 (three) year period.

The additional disclosure is under financial instruments note 33.

**12. Finance lease obligation**

Finance lease liabilities relate to cellphones with a contract term of 24 months (2018: 24 months). Amounts are paid monthly in arrears and the interest rates are linked to the average investment rate, currently at 8.15% (2018: 8.34%), for the duration of the contract. All finance lease contracts reached maturity during the 2017/2018 financial year.

The municipality approved a Telecommunications policy during the 2014/15 financial year, allowing employees to receive telephone allowances and the finance leases of cellphones to be phased out accordingly.

All finance lease contracts reached maturity during the 2017/2018 financial year.

No arrangements have been entered into for contingent rental payments.

Opening balance	-	3 544
Payments during the year	-	(3 544)
	-	-

**Present value of minimum lease payments due**  
- in second to fifth year inclusive

	-	-
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**13. Unspent conditional grants and receipts**

Unspent conditional grants comprises of:

**Unspent conditional grants and receipts**

Community development workers grant	-	77 736
Integrated transport planning	892 006	707 812
Municipal systems improvement grant	162	162
Municipal performance management grant	-	236 100
Western Cape financial management support grant	895 040	895 040
Tirelo Boshu: Public service improvement	-	235 369
Water and sanitation	35 560	35 569
Local government graduate internship grant	-	1 000
Western Cape financial management capacity building grant	276 719	13 228
Rural Roads Asset Management System Grant	298 234	-
Municipal Service Delivery and Capacity Building Grant	400 000	-
Local Government Internship Grant	72 000	-
Safety plan implementation grant - WOSA	1 000 000	-
Public contributions and donations	727 945	727 945
	<u>4 597 666</u>	<u>2 929 760</u>

See note 22 & 23 for reconciliation of grants from National/Provincial Government.

These amounts are invested until utilised. (refer to note 3).

**14. Payables from exchange transactions**

Other payables	125 830	105 864
Creditor accruals	2 784 381	3 172 047
Working for water (Department of Environmental Affairs)	812 430	812 430
Payments received in advance	30 478	21 797
Retention	581 234	863 891
Roads function (Department of Transport and Public Works)	-	4 802 906
Trade payables	129 753	73 671
Unclaimed funds	1 040	468
	<u>4 445 146</u>	<u>9 953 174</u>

**15. Employee benefits**

**Current employee benefits**

Employee benefit accruals	681 076	631 127
Current: Medical aid liability	7 578 510	7 157 884
Provision staff leave	14 230 308	14 121 185
13th Cheque	4 498 816	4 301 257
Current: Ex-gratia benefit	70 233	88 748
Current: Long term service award	1 635 094	2 437 142
Performance bonus	740 128	520 051
	<u>29 414 165</u>	<u>29 287 194</u>

**Other long term employee benefits**

Long service award	<u>11 072 372</u>	<u>9 939 003</u>
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**Post-employee benefits**

Post-Retirement Medical aid benefits	132 706 087	145 983 861
Ex-gratia benefit	1 489 493	1 742 601
	<u>134 195 580</u>	<u>147 726 462</u>



**Cape Winelands District Municipality**  
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<b>16. Employee benefits (continued)</b>		
Current liability	29 414 165	29 267 194
Non-current liability	145 267 952	157 665 465
	<u>174 682 117</u>	<u>186 932 659</u>

The provision for post-retirement employee benefits recognised and disclosed will potentially change for the 2019/2020 financial year. The Municipality is currently finalising a Medical Funds Administration Policy to be approved by Council which invariably will impact 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.

<b>Active members</b>		
Principal members	314	330
Average age	46,4	45,6
Average past service cost	R16,4 million	R15,5 million

<b>Continuation members</b>		
Principle members	149	149
Average age	71,9	72,1

The amounts recognised in the Statement of Financial Position are -  
Projected benefit obligation

140 284 597	153 141 544
<u>140 284 597</u>	<u>153 141 544</u>

The obligation in respect of past services has been estimated as follows:

Active members	47 859 045	70 444 126
Continuation members	92 425 552	82 697 418
<b>Net obligation</b>	<u>140 284 597</u>	<u>153 141 544</u>

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**16. Employee benefits (continued)**

The amounts recognised in the Statement of Financial Performance are

Current service cost	3 925 442	4 141 210
Interest cost	14 216 166	14 067 677
Recognised actuarial (gains)/losses	<u>(24 038 811)</u>	<u>(9 216 701)</u>
Amount charged to Statement of Financial Performance	<u>(5 897 200)</u>	<u>8 992 086</u>

The future service cost for the ensuing financial year is estimated to be R2 447 927, whereas the interest cost for the next year is estimated to be R12 578 906.

Movements in the present value of the defined benefit obligation were as follows:

Opening benefit obligation liability	153 141 544	150 650 885
Payments to members	<u>(8 959 747)</u>	<u>(6 501 427)</u>
Charge to Statement of Financial Performance	<u>(5 897 200)</u>	<u>8 992 086</u>
Closing benefit liability	<u>140 284 597</u>	<u>153 141 544</u>

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 discount rate is calculated by using a liability-weighted average of yields for the three components of the liability. Each component's fixed-interest and index-linked yield were taken from the bond yield curve at that component's duration, using an iterative process (because the yields depend on the liability, which in turn depends on the yields).

Key actuarial assumptions

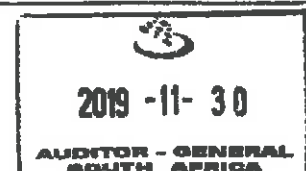
Discount rate	9,21%	9,50%
Health care inflation	6,71%	7,34%

Sensitivity Analysis on current-service and interest cost

Assumption	Change	Current service cost	Interest cost	Total	% change
Central Assumptions		3 925 400	14 216 200	18 141 600	
Health care inflation	1 %	4 842 300	16 258 100	21 098 400	16 %
	-1 %	3 211 200	12 630 800	15 742 000	-13 %
Discount rate	1 %	3 258 800	13 897 600	17 156 400	-5 %
	-1 %	4 787 000	14 524 200	19 311 200	6 %
Post-retirement mortality	-1 yr	4 043 800	14 723 200	18 767 000	3 %
Average retirement age	-1yr	4 051 500	14 715 100	18 766 600	3 %
Continuation of membership at retirement	-10 %	3 563 700	13 584 600	17 148 200	-5 %

Sensitivity analysis on the benefit liability:

Assumption	Change	In service	Continuation	Total	% change
Central assumptions		47 859 000	92 426 000	140 285 000	
Health care inflation	+1 %	57 616 000	101 785 000	159 411 000	+14 %
	-1 %	40 146 000	84 343 000	124 489 000	-11 %
Discount rate	+1 %	40 366 000	84 582 000	124 947 000	-11 %
	-1 %	57 464 000	101 656 000	159 119 000	+13 %
Post-retirement mortality	-1 yr	48 244 000	85 852 000	145 096 000	+3 %



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**Notes to the Financial Statements**

Figures in Rand				2019	2018
<b>15. Employee benefits (continued)</b>					
Average retirement age	-1 yr	51 121 000	92 426 000	143 546 000	+2 %
Continuation of membership at retirement	-10 %	41 981 000	92 426 000	134 408 000	-4 %
<b>History of Liabilities and Experience Adjustments</b>	<b>30 June 2015</b>	<b>30 June 2016</b>	<b>30 June 2017</b>	<b>30 June 2018</b>	<b>30 June 2019</b>
Accrued liability	143 597 000	142 885 000	150 651 000	153 142 000	140 285 000
Experience adjustment	(6 068 000)	(9 608 000)	14 017 000	221 000	(2 278 000)

In terms of the memorandum of Agreement between the Western Cape Provincial Government, 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.

<b>Employee benefit asset</b>		
Opening balance	25 094 397	32 276 316
Current service cost	1 014 823	1 107 612
Payment received from WCPG	(5 592 636)	(6 537 999)
Interest cost	3 770 701	3 785 998
Benefits paid	(1 692 888)	(2 355 678)
Interest on payments from WCPG	(1 577 296)	(708 354)
Actuarial loss / (gain)	(4 376 605)	(2 473 496)
	<b>16 640 496</b>	<b>25 094 397</b>
<b>Reconciliation of employee benefit asset</b>		
Current asset	2 632 167	2 416 597
Non-current asset	14 008 329	22 677 800
	<b>16 640 496</b>	<b>25 094 397</b>

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.

**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	7	8
In-service employees eligible for lump sum benefit on retirement	7	7
Eligible former employees receiving ex-gratia pension	1	1
Eligible spouses receiving ex-gratia pension	4	5

**Average age in years**

In-service employee for ex-gratia pension	56,80	56,40
In-service employees eligible for lump sum benefit on retirement	55,10	54,10
Eligible former employees receiving ex-gratia pension	64,20	63,20
Eligible spouses receiving ex-gratia pension	77,40	83,60



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**Notes to the Financial Statements**

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**15. Employee benefits (continued)**

The amount recognised in the Statement of Financial Position are:

Projected benefit obligation	1 559 725	1 841 349
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The amount recognised in the Statement of Financial Performance are:

Interest cost	166 217	203 633
Recognised actuarial (Gain) / Loss	<u>(211 440)</u>	<u>(328 675)</u>
	<u>(45 223)</u>	<u>(125 042)</u>

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 R141 098.

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 a liability-weighted average of yields for the four components of the liability. For each of the four liability components, yields were determined by looking at the average term of the liability component and finding the fixed-interest and index-linked gilt yields at the relevant duration of the JSE (Best Decency) Zero Coupon bond yield curve.

Movements in the present value of the defined benefit obligation were as follows:

Opening benefit obligation	1 841 350	2 275 313
Payments to members	(236 401)	(308 921)
Actuarial (Gain) / Loss	(211 440)	(328 675)
Interest and service cost	166 217	203 633
Closing benefit obligation	<u>1 559 726</u>	<u>1 841 350</u>

Key actuarial assumptions

Discount rate	9,25 %	9,27 %
CPI inflation rate	5,26 %	5,66 %
Salary inflation rate	6,26 %	6,66 %

Sensitivity analysis on the benefit obligation:

Assumption	Change	Employees	Pensioners	Total Liability	% change
Central Assumptions		1 482 983	66 762	1 559 725	
Benefit inflation rates	1 %	1 690 000	66 762	1 728 762	11 %
	-1 %	1 350 025	66 762	1 416 787	-9 %
Discount Rate	1 %	1 355 858	66 308	1 422 166	-9 %
	-1 %	1 655 219	67 259	1 722 478	10 %
Post-retirement mortality	-1yr	1 527 422	67 099	1 594 521	2 %
Average retirement age	-1yr	1 586 342	66 762	1 653 104	6 %

Sensitivity analysis on the interest cost:

Assumption	Change	Interest cost	% change
Central Assumptions		166 217	
Benefit inflation rates	+1 %	183 670	+11 %
	-1%	151 321	-9 %
Discount rate	+1 %	167 850	+1 %
	-1%	163 738	-1 %
Post-retirement mortality	-1 yr	170 154	+2 %
Average retirement age	-1 yr	164 709	-1 %



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**16. Employee benefits (continued)**

History of Liabilities, Assets and Experience Adjustments	30 June 2015	30 June 2016	30 June 2017	30 June 2018	30 June 2019
Accrued liability	2 401 554	2 425 971	2 275 313	1 841 349	1 559 725
Experience adjustment	(499 506)	372 632	589 508	(238 197)	(152 346)

**Long service awards**

The Municipality offers employees a long service award for every five years of service completed from 10 years of service to forty five years of service.

Details of employees eligible for long service awards are detailed below.

Members	401	412
Average age in years	47	47

The amounts recognised in the Statement of Financial Position are:

Projected benefit obligation	<u>12 707 487</u>	<u>12 376 146</u>
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The amounts recognised in the Statement of Financial Performance are:

Current service cost	773 500	756 213
Interest cost	948 265	904 840
Recognised actuarial (gain) / losses	931 850	595 447
<b>Amount charged to Statement of Financial Performance</b>	<u>2 653 615</u>	<u>2 256 500</u>

The future service cost for the ensuing financial year is estimated to be R812 495, whereas the interest cost for the next financial year is estimated to be R965 565.

GRAP 26 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 of 8.11% per annum has been used. The first step in the derivation of this yield is to calculate the liability-weighted average of the yields corresponding to the actual terms until payment of long service awards, for each employee. The 8.11% is then derived as the liability-weighted average of the yields derived in the first step. The corresponding liability-weighted Index-linked yield is 2.96%. These rates do not reflect any adjustment for taxation. These rates were deduced from the interest rate data obtained from the JSE after the market close on 28 June 2019

A general earnings inflation rate of 5.53% per annum over the expected term of the liability has been assumed, which is 1.00% higher than the estimate of CPI inflation over the same term. This assumption reflects a net discount rate of 2.44%.

Movements in the present value of the benefit obligation were as follows:

Opening benefit obligation	12 376 146	11 403 388
Payment to members (benefits vesting)	(2 322 294)	(1 283 742)
Actuarial (Gain) / Loss	931 850	595 447
Interest and service cost charged to Statement of Financial Performance	1 721 765	1 661 053
<b>Closing benefit obligation</b>	<u>12 707 487</u>	<u>12 376 146</u>

**Key actuarial assumptions**

Discount rate	8,11%	8,48%
Salary inflation	5,53%	6,11%
Average retirement age	62	62



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**15. Employee benefits (continued)**

Assumptions	Change	Liability	% change
Central Assumptions		12 707 000	
General salary inflation	+1%	13 503 000	+8%
	-1%	11 987 000	-8%
Discount rate	+1%	11 958 000	-6%
	-1%	13 552 000	7%
Average retirement age	-2 yrs	10 678 000	-16%
	+2 yrs	14 541 000	14%
Withdrawal rates	-50%	14 228 000	12%

Assumption	Change	Current service cost	Interest cost	Total	% change
Central assumptions		773 500	948 300	1 721 800	
General salary inflation	1 %	838 200	1 008 800	1 846 100	7 %
	-1 %	717 700	892 400	1 610 100	-8 %
Discount rate	1 %	722 300	994 800	1 716 900	- %
	-1 %	831 900	894 400	1 726 300	- %
Average retirement age	-2 yrs	666 100	786 500	1 452 600	-16%
	+2 yrs	866 100	1 093 900	1 960 000	14 %
Withdrawal rates	-50%	946 800	1 076 800	2 023 600	18 %

History of Liabilities and Experience Adjustments	30 June 2018	30 June 2016	30 June 2017	30 June 2018	30 June 2019
Accrued liability	11 146 671	11 306 743	11 403 388	12 376 146	12 707 467
Experience adjustment	581 153	285 235	235 476	732 735	827 882

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 subject to a tri-annual, bi-annual or annual actuarial valuation as set out hereunder.

**a) LA Retirement Fund (Previously: Cape Joint Pension Fund)**

The Cape Joint Pension Fund operates both as a defined benefit and defined contribution scheme.

The scheme was established to provide benefits to employees. All existing members were given the option to transfer to Cape Joint Venture Fund before December 1990.

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 under the defined benefit section is 27%, 9% by the members and 18% by their councils. The actuarial valuation report at 30 June 2018 disclosed an actuarial valuation amounting to R1,776,181,000 (30 June 2017 : R1,859,077,000), with a net accumulated surplus of R63,423,000 (2017 : R46,989,000), with a funding level of 103.7% (30 June 2017 : 102.6%).

**Defined Contribution Scheme**

The actuarial valuation report at 30 June 2018 indicated that the defined contribution scheme of the fund is in a sound financial position, with assets amounting to R2,018,237,000 (30 June 2017 : R1,911,937,000), net investment reserve of R0 (30 June 2017 : R0) and with a funding level of 100% (2017 : 100%).

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**15. Employee benefits (continued)**

The actuary concluded that :

- The Pensioner account has a funding level of 103.7% with a surplus of R63.4 million and is in a sound financial condition as at the valuation date.
- There is a surplus of R63.4 million in The Defined Benefit Section excluding The surplus in The Pensioner Account. The surplus has been allocated to The Pensioner Account.
- The overall funding level in respect of the Defined Benefit Section including the Pensioner Account is 101.7% with a surplus of R63.0 million.
- The Defined Contribution Section has a funding level of 100% and is in a sound Financial condition.
- Overall the fund is in a sound financial condition with a surplus of R63.0 million and the overall funding level of 101.7%.
- The Trustees awarded a 3.22% pension increase effective 1 January 2019.

It is to be noted that :

- All the active members have now all been converted to the Defined Contribution Section.
- There is no longer any contribution rate shortfall as this only applied to 29 residual Defined Benefit Section active members, that have now also converted to the Defined Contribution Section; and
- Both the Defined Contribution Section and the Defined Benefit Section were fully funded as at the valuation date.

The nature of the assets is suitable for the Fund, except that the proportion of direct property underlying the pensioner liabilities may represent an over-concentration of assets in this class. The assets are appropriately matched relative to the term and nature of the active member liabilities. The Fund's investment strategy is suitable. Finally the risk benefits are partially re-insured and this is appropriate for the size and nature of the Fund.

**b) Consolidated Retirement Fund for Local Government**

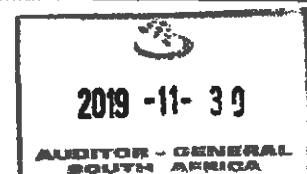
The Cape Joint Retirement Fund was established with effect from 1 May 1996 to provide insured death, disability and pension benefits to its members.

The contribution rate for members is 7.5% of basic salary, whilst the respective Local Authorities are contributing 19.5%.

The last statutory valuation performed as at 30 June 2017 revealed that the assets of the fund amounted to R21,359,000,000 (30 June 2016: R20,075,000,000), with funding levels of 127.3% and 100% (30 June 2016 118.0% and 100%) for the Pensions Account and the Share Account respectively. The Preservation Pension Account showed a surplus of R0 and was 100% funded for both 2017 & 2016. The contribution rate paid by the members (7.50%/9%) and the municipalities (19.50%/18%) 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.

**e) 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 2011 : R6,574,75.00), 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.



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**15. Employee benefits (continued)**

**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 2015 revealed that the assets of the fund amounted to R2,551,861,000 (30 June 2014 : R2,229,410,000), with funding levels of 101.08% (30 June 2014: 88.83%). 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 2015, 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 moratorium 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.

**16. Accumulated surplus**

**Ring-fenced Internal funds within accumulated surplus - 2019**

	Capital replacement reserve	Government grant reserve	Accumulated surplus	Total
Opening balance	63 730 623	4 943 302	555 655 869	624 329 794
Surplus for the year	-	-	50 875 813	50 875 813
Property, plant and equipment purchases	(13 984 893)	-	13 984 893	-
Intangible assets purchases	(263 312)	-	263 312	-
Transfers from/ to reserve	17 000 000	-	(17 000 000)	-
	<b>66 482 418</b>	<b>4 943 302</b>	<b>603 779 887</b>	<b>675 205 607</b>

**Ring-fenced Internal funds within accumulated surplus - 2018**

	Capital replacement reserve	Government grant reserve	Accumulated surplus	Total
Opening balance	67 282 825	3 594 019	534 417 975	605 294 819
Surplus for the year	-	-	19 034 976	19 034 976
Property, plant and equipment purchases	(17 407 997)	1 885 209	15 522 788	-
Intangible assets purchases	(61 760)	-	61 760	-
Transfers from/ to reserve	13 917 555	-	(13 917 555)	-
Offsetting of depreciation	-	(535 926)	535 926	-
	<b>63 730 623</b>	<b>4 943 302</b>	<b>555 655 870</b>	<b>624 329 796</b>

Refer to Statement of Changes in Net Assets for more detail and the movement on Accumulated Surplus.

The comparative figures were restated. Refer to the prior period error note 31.

**17. Service charges**

Other service charges	138 065	70 758
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**18. Rental of facilities and equipment**

Premises		
Premises	248 345	123 908



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**18. Rental of facilities and equipment (continued)**

Included in the above rentals are operating lease rentals at straight-lined amounts of R - (2018: R -) as well as contingent rentals of R - (2018: R -).

**19. Agency services**

Department of Transport and Public Works	108 552 545	94 845 342
Working for Water (Department of Environmental Affairs)	-	1 308 979
	<u>108 552 545</u>	<u>96 154 321</u>

The municipality has a service level agreement with the Department of Transport Western Cape for rendering of services regarding the roads function within the jurisdiction of the Cape Winelands District Municipality.

**20. Other income**

Bad debt recovered	-	7
Brokerage	56 686	18 127
Electricity income (Eerste Begin)	12 531	11 574
Insurance income	1 626 549	318 234
Miscellaneous income	3 180	3 784
Municipal health income	574 597	578 190
Staff Recoveries	488 434	-
Admin fee (RRAMS)	134 450	134 150
LG SETA refund	348 144	276 956
Tender document income	166 798	184 788
	<u>3 389 329</u>	<u>1 525 810</u>

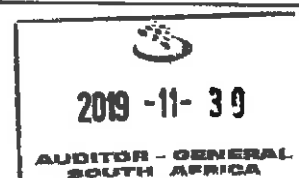
**21. Investment revenue**

Interest on investments	54 293 664	51 928 028
	<u>54 293 664</u>	<u>51 928 028</u>

**22. Government grants and subsidies**

**Operating grants**

Community development workers grant	77 735	62 099
Equitable share	2 057 000	1 886 000
Expanded Public Works	1 391 000	1 000 000
Local government financial management grant	1 000 000	1 250 000
Western Cape financial management capacity building grant	81 281	226 772
Integrated transport planning	715 606	192 388
Fire services capacity grant	-	800 000
Local government graduate Internship grant	-	95 000
Western Cape financial management support grant	280 000	634 980
RSC Levy Replacement grant	223 157 000	220 853 001
Rural roads asset management system	2 392 788	2 683 000
Sandhills - toilet hire	836 279	750 355
	<u>231 988 667</u>	<u>230 433 575</u>



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**22. Government grants and subsidies (continued)**

**Unconditional**

Included in above are the following unconditional grants and subsidies received:

Equitable share	2 057 000	1 886 000
RSC Levy Replacement grant	223 157 000	220 853 001
	<u>225 214 000</u>	<u>222 739 001</u>

**Equitable Share**

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

**Community development workers grant**

Balance unspent at beginning of year	77 735	65 835
Current-year receipts	-	74 000
Conditions met - transferred to revenue	(77 735)	(62 100)
Other	-	-
	<u>-</u>	<u>77 735</u>

**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.

**IDP support grant**

Balance unspent at beginning of year	-	1 473
Refund of unspent portion	-	(1 473)
	<u>-</u>	<u>-</u>

**Strategic Objective: Office of the Municipal Manager.**

Provide financial assistance to municipalities in support of their IDP reviews.

**Integrated transport planning**

Balance unspent at beginning of year	707 612	-
Current-year receipts	900 000	900 000
Conditions met - transferred to revenue	(715 606)	(192 388)
	<u>892 006</u>	<u>707 612</u>

Conditions still to be met - remain liabilities (see note 13).

**Strategic Objective: Technical Services.**

The funds were utilised to review and update the Districts integrated transport policy.

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<b>22. Government grants and subsidies (continued)</b>		
<b>Local government financial management grant</b>		
Balance unspent at beginning of year	-	-
Current-year receipts	1 000 000	1 250 000
Conditions met - transferred to revenue	(1 000 000)	(1 250 000)
Refund of unspent portion	-	-
	<u>                    </u>	<u>                    </u>
	-	-

**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 mSCOA implementation, audit outcome and to implement National Treasury's internship programme.

**Municipal performance management grant**

Balance unspent at beginning of year	236 100	236 100
Current-year receipts	-	-
Conditions met - transferred to revenue	-	-
Refund of unspent portion	(236 100)	-
	<u>                    </u>	<u>                    </u>
	-	236 100

**Strategic Objective: Office of the Municipal Manager.**

To provide financial assistance to municipalities to ensure functional and compliant performance management systems.

**Western Cape financial management support grant**

Balance unspent at beginning of year	895 040	1 050 000
Current-year receipts	480 000	480 000
Conditions met - transferred to revenue	(280 000)	(634 960)
Refund of unspent portion	(200 000)	-
	<u>                    </u>	<u>                    </u>
	895 040	895 040

Conditions still to be met - remain liabilities (see note 13).

**Strategic Objective: Financial and Strategic Support Services and Office of the Municipal Manager.**

To provide financial assistance to municipalities to improve overall governance within municipalities inclusive of optimising and administration of revenue, improving credibility and responsiveness of municipal budgets, improving of municipal outcomes and addressing institutional challenges.

The Municipality utilised the funds for mSCOA implementation and support as well as for the internship co-ordination guidance project. The funds that are available are committed for the District Asset Management framework development project and for audit activities training.



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**22. Government grants and subsidies (continued)**

**Water and sanitation**

Balance unspent at beginning of year	35 560	35 580
Current-year receipts	-	-
Conditions met - transferred to revenue	-	-
Refund of unspent portion	-	-
	<u>35 560</u>	<u>35 580</u>

Conditions still to be met - remain liabilities (see note 13).

Strategic Objective: Technical Services

No funds were utilised during the 2017/2018 and 2018/2019 financial year, but the municipality will review its masterplans in the near future.

**Municipal systems improvement grant**

Balance unspent at beginning of year	162	162
Current-year receipts	-	-
Conditions met - transferred to revenue	-	-
	<u>162</u>	<u>162</u>

Conditions still to be met - remain liabilities (see note 13).

Strategic Objective: Financial and Strategic Support Services.

To assist municipalities to perform their functions and stabilise institutional and governance systems as required in the Municipal Systems Act and related legislations.

**Tiralo Becha: Public service improvement**

Balance unspent at beginning of year	235 369	235 369
Refund of unspent portion	(235 369)	-
	<u>-</u>	<u>235 369</u>

Conditions still to be met - remain liabilities (see note 13).

Strategic Objective: Community Development and Planning Services.

To draw up an evidence-based strategy anchored within current policy and legislative mandates, which is enhanced by situated research and social dialogue to practically address the need for improved farm worker housing, access to services and tenure security on and off-farms within the Cape Winelands District.

**Sandhills-toilet hire**

Balance unspent at beginning of year	-	-
Current-year receipts	836 279	760 355
Conditions met - transferred to revenue	(836 279)	(750 355)
	<u>-</u>	<u>-</u>

Strategic Objective: Technical Services.

The subsidy is allocated to the municipality by the Department of Transport and Public Works as a refund for temporary toilets hired in Sandhills.



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**22. Government grants and subsidies (continued)**

**Expanded Public Works**

Balance unspent at beginning of year		-
Current-year receipts	1 391 000	1 000 000
Conditions met - transferred to revenue	(1 391 000)	(1 000 000)
Refund of unspent portion		-
	<u>          </u>	<u>          </u>

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.

**Local government graduate Internship grant**

Balance unspent at beginning of year	1 000	30 000
Current-year receipts	-	66 000
Conditions met - transferred to revenue	-	(95 000)
Refund of unspent portion	(1 000)	-
	<u>          </u>	<u>          </u>
		1 000

Strategic Objective: Financial and Strategic Services (see note 13).

This grant provide financial assistance to municipalities in support of capacity building for the future by means of a graduate internship programme.

The aim of the grant is to address the shortage of administrative and institutional capability by providing opportunities to young unemployed graduates to gain practical workplace training, whilst assisting with capacity constraints within municipalities.

**Western Cape financial management capacity building grant**

Balance unspent at beginning of year	13 228	2 117
Current-year receipts	360 000	240 000
Conditions met - transferred to revenue	(81 281)	(226 772)
Refund of unspent portion	(13 228)	(2 117)
	<u>          </u>	<u>          </u>
	278 719	13 228

Strategic Objective: Financial and Strategic Services (see note 13).

This grant provide financial assistance to municipalities to assist with financial management capacity building objectives that will result in the improvement in the availability, competency and skill of municipal financial officials within municipal areas towards sustainable municipal BTO capabilities.

**Rural Roads Asset Management System grant**

Balance unspent at beginning of year	-	127 300
Current-year receipts	2 689 000	2 683 000
Conditions met - transferred to revenue	(2 392 766)	(2 683 000)
Refund of unspent portion		(127 300)
	<u>          </u>	<u>          </u>
	296 234	-

Conditions still to be met - remain liabilities (see note 13).

Strategic Objective: Technical Services.



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**22. Government grants and subsidies (continued)**

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).

**Municipal Service Delivery and Capacity Building Grant**

Current-year receipts	400 000	-
	<u>400 000</u>	<u>-</u>

Conditions still to be met - remain liabilities (see note 13).

Strategic Objective: Financial and Strategic Services

To develop financial human capacity within municipal areas to enable a sustainable local financial skills pipeline that is responsive to municipalities' requirements to enable sound and sustainable financial management and good financial governance.

**Local Government Internship Grant**

Current-year receipts	72 000	-
	<u>72 000</u>	<u>-</u>

Conditions still to be met - remain liabilities (see note 13).

Strategic Objective: Financial and Strategic Services

The purpose of the grant is to provide financial assistance to municipalities in support of capacity building for the future by means of internship programme.

**Safety Plan Implementation - WOSA**

Current-year receipts	1 000 000	-
	<u>1 000 000</u>	<u>-</u>

Conditions still to be met - remain liabilities (see note 13).

Strategic Objective: Community Development and Planning Services.

To enable a resilient, sustainable, quality living environment through the operationalisation of a Safety Plan.

**Fire service capacity grant**

Current-year receipts	-	800 000
Conditions met - transferred to revenue	-	(800 000)
Refund of unspent portion	-	-
	<u>-</u>	<u>-</u>

Conditions still to be met - remain liabilities (see note 13).

Strategic Objective: Community Development and Planning Services.

This grant provide financial assistance to municipalities to ensure functional emergency communication, mobilisation systems and fire services.



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**23. Public contributions and donations**

**Reconciliation of conditional contributions**

Balance unspent at beginning of year	727 945	680 300
Current-year receipts	-	47 645
	<u>727 945</u>	<u>727 945</u>

Conditions still to be met - remain liabilities (see note 13)

2019	Balance unspent at beginning of year	Current year receipts	Conditions met - transferred to revenue	Balance unspent at the end of the year
Road station road Ceres	277 831	-	-	277 831
Upgrade of Rural Roads: De Novo	450 114	-	-	450 114
	<u>727 945</u>	<u>-</u>	<u>-</u>	<u>727 945</u>
<b>2018</b>	<b>Balance unspent at beginning of year</b>	<b>Current year receipts</b>	<b>Conditions met- transferred to revenue</b>	<b>Balance unspent at the end of year</b>
Road station road Ceres	230 186	47 645	-	277 831
Upgrade of Rural Roads: De Novo	450 114	-	-	450 114
	<u>680 300</u>	<u>47 645</u>	<u>-</u>	<u>727 945</u>

**24. Employee related costs**

Basic	108 785 319	103 297 944
Bonus	8 656 454	8 248 403
Medical aid - company contributions	11 487 497	10 886 845
UIF	751 215	779 899
WCA	880 728	1 021 854
Leave pay provision charge	849 051	2 024 336
Student work	-	1 472 326
Defined contribution plans	18 804 174	17 792 109
Travel, motor car, accommodation, subsistence and other allowances	12 950 799	12 943 032
Overtime payments	6 337 823	5 831 204
Current service cost	3 684 119	3 789 811
Acting allowances	197 826	282 599
Actuarial loss/ (gain)	(18 941 796)	(6 476 434)
Housing benefits and allowances	4 801 170	4 478 287
Other allowances	5 777 217	5 306 087
Interest cost	11 559 950	11 390 054
Group schemes	1 271 972	1 206 235
Telephone	634 922	805 353
Performance bonus	550 808	520 051
	<u>179 039 248</u>	<u>185 397 997</u>

2019	Long service awards	Ex gratia	PRMA	Less: Funded asset	Total
Current service cost	773 500	-	3 925 442	(1 014 823)	3 684 119
Interest cost	948 265	166 217	14 216 169	(3 770 701)	11 559 950
Net actuarial (gains)/ losses recognised	931 850	(211 440)	(24 038 811)	4 376 605	(18 941 796)
	<u>2 653 615</u>	<u>(45 223)</u>	<u>(5 897 200)</u>	<u>(408 919)</u>	<u>(3 687 727)</u>

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**24. Employee related costs (continued)**

2018	Long service awards	Ex gratia	PRMA	Less: Funded asset	Total
Current service cost	756 213	-	4 141 210	(1 107 612)	3 789 811
Interest cost	904 840	203 633	14 067 577	(3 786 906)	11 390 054
Net actuarial (gains)/ losses recognised	595 447	(326 676)	(9 216 701)	2 473 495	(6 476 434)
	<u>2 256 500</u>	<u>(125 042)</u>	<u>8 992 086</u>	<u>(2 420 113)</u>	<u>8 703 431</u>

**Remuneration of senior management**

2019	Basic salary	Car allowance	Performance bonuses	Contribution to UIF, medical and pension funds	Other	Total
Municipal Manager (M. Mgajo)	-	-	14 332	-	-	14 332
Municipal Manager (H. Prins)	1 387 523	258 000	82 963	54 834	13 800	1 797 120
Chief Financial Officer	604 898	240 000	123 584	160 664	453 209	1 582 355
ED: Community development and planning services	1 020 953	178 548	-	223 898	13 800	1 437 199
ED: Technical services	1 042 074	140 000	109 852	239 553	13 800	1 545 279
	<u>4 055 448</u>	<u>816 548</u>	<u>330 731</u>	<u>678 949</u>	<u>494 609</u>	<u>6 376 281</u>

2018	Basic Salary	Car allowance	Contribution to UIF, medical and pension funds	Other	Total
Municipal Manager (M. Mgajo)	97 452	10 964	25 666	28 106	162 188
Municipal Manager (H. Prins)	770 789	140 000	30 322	3 450	944 561
Chief Financial Officer	548 793	240 000	146 736	453 209	1 388 738
ED: Community development and planning services	978 022	178 548	217 347	13 800	1 387 715
ED: Technical services	999 139	120 000	228 430	13 800	1 361 369
	<u>3 394 195</u>	<u>689 510</u>	<u>648 501</u>	<u>512 365</u>	<u>5 244 571</u>

The following accrued to key management personnel in terms of GRAP 25 at year end:

Staff leave		
Municipal Manager	112 192	71 183
Chief Financial Officer	57 959	60 681
ED: Community Development and Planning Services	34 776	11 029
ED: Technical Services	52 163	66 178
	<u>257 080</u>	<u>209 059</u>

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**25. Remuneration of councillors**

Executive Mayor	1 051 128	1 011 752
Deputy Mayor	533 392	513 376
Speaker	849 782	817 737
Other Councillors	9 738 800	8 988 051
	<u>12 171 102</u>	<u>11 330 916</u>

2019	Salaries	Contribution to medical and pension funds	Car allowance	Other	Total
Executive Mayor	347 511	87 095	180 000	436 523	1 051 129
Deputy Mayor	410 661	-	122 701	-	533 392
Speaker	601 774	72 419	101 189	74 400	849 782
Other Councillors	7 032 479	272 573	1 765 741	666 000	9 738 793
	<u>8 392 455</u>	<u>432 087</u>	<u>2 169 631</u>	<u>1 176 923</u>	<u>12 171 096</u>

2018	Salaries	Contribution to medical and pension funds	Car allowance	Other	Total
Executive Mayor	314 725	80 504	180 000	436 523	1 011 752
Deputy Mayor	390 175	-	122 701	500	513 376
Speaker	574 041	68 106	101 190	74 400	817 737
Other Councillors	6 439 372	220 524	1 662 155	666 000	8 988 051
	<u>7 718 313</u>	<u>369 134</u>	<u>2 066 046</u>	<u>1 177 423</u>	<u>11 330 916</u>

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 Minister of Provincial and Local Government's determination in accordance with this Act.

**26. Depreciation and amortisation**

Property, plant and equipment	11 420 466	9 677 976
Intangible assets	337 558	334 983
	<u>11 758 024</u>	<u>10 012 959</u>

**27. Finance costs**

Finance leases	-	91
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**28. Debt impairment**

Debt impairment	55 718	-
Debt impairment reversal	-	(2 187 943)
	<u>55 718</u>	<u>(2 187 943)</u>

# Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2019

## Notes to the Financial Statements

Figures in Rand	2019	2018
<b>29. General expenses</b>		
Achievements and awards	259 173	274 020
Advertising, publicity and marketing	3 196 313	3 798 819
Assets less than the capitalisation threshold	53 588	191 897
Bank charges, facility and card fees	27 408	56 877
Bargaining council	49 228	48 588
Bursaries (employees)	31 433	108 715
Communications	4 002 205	4 179 267
Courier and delivery services	57 181	36 186
Deeds	2 915	1 592
Drivers licenses and permits	16 840	22 442
External computer services	7 238 390	8 149 199
Full time union representatives	166 435	170 608
Hire charges	18 458 780	16 614 906
Insurance underwriting	896 575	1 308 498
Licenses	125 240	123 001
Municipal services	5 917 121	5 899 449
Parking fees	1 250	1 000
Printing and stationery	1 066 805	1 817 598
Printing, publication and books	566 796	327 996
Refreshments	280 630	372 469
Professional bodies, membership and subscription	1 841 046	1 863 899
Registration fees	147 656	303 602
Road worthy test	14 756	17 571
Skill development fund levy	1 625 575	1 551 349
Tollgate fees	186 151	214 752
Transport provided as part of departmental activities	2 691 600	2 753 337
Travel agency and visas	9 756	5 419
Travel and subsistence	2 355 540	2 288 632
Uniforms and protective clothing	962 349	1 198 086
Vehicle tracking	163 843	256 083
Wet fuel	8 533 972	7 451 364
Chemicals	430 786	452 348
Cleaning Materials	121 747	155 962
Materials and supplies	23 187 997	16 680 775
Auditors remuneration	3 351 296	2 893 425
Fines and penalties	-	3 000
Medical expenses	408	-
Entertainment	38 322	38 700
Consumables	414 068	542 320
	<b>88 590 074</b>	<b>81 153 661</b>
<b>30. Auditors' remuneration</b>		
Fees	3 351 296	2 893 425

**Cape Winelands District Municipality**  
Financial Statements for the year ended 30 June 2019

**Notes to the Financial Statements**

Figures in Rand 2019 2018

**31. 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
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	616 034 060	-	-	616 034 060
Trade receivables from exchange transactions	14 649	-	-	14 649
Other receivables from exchange transactions	25 427 179	63 644	-	25 490 823
Receivables from non-exchange transactions	69 458	-	-	69 458
Inventories	1 792 879	567 014	-	2 359 893
VAT receivable	5 019 283	(1 743 639)	-	3 275 644
Employee benefit asset	2 416 597	-	-	2 416 597
	<u>650 774 106</u>	<u>(1 112 981)</u>	<u>-</u>	<u>649 661 124</u>
<b>Non-Current Assets</b>				
Property, plant and equipment	147 850 488	3 362 978	-	151 213 466
Intangible assets	780 874	(146 184)	-	634 690
Employee benefit asset	22 677 800	-	-	22 677 800
	<u>171 309 162</u>	<u>3 216 794</u>	<u>-</u>	<u>174 525 956</u>
Non-Current Assets	171 309 162	3 216 794	-	174 525 956
Current Assets	650 774 105	(1 112 981)	-	649 661 124
<b>Total Assets</b>	<u>822 083 267</u>	<u>2 103 813</u>	<u>-</u>	<u>824 187 080</u>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Payables from exchange transactions	9 908 332	44 842	-	9 953 174
Unspent conditional grants and receipts	2 929 750	-	-	2 929 750
Operating lease liability	13 605	-	-	13 605
Provisions	21 620	-	-	21 620
Employee benefit obligation	29 267 194	-	-	29 267 194
	<u>42 140 501</u>	<u>44 842</u>	<u>-</u>	<u>42 185 343</u>
<b>Non-Current Liabilities</b>				
Operating lease liability	6 477	-	-	6 477
Employee benefit obligation	157 665 465	-	-	157 665 465
	<u>157 671 942</u>	<u>-</u>	<u>-</u>	<u>157 671 942</u>
Non-Current Liabilities	157 671 942	-	-	157 671 942
Current Liabilities	42 140 501	44 842	-	42 185 343
<b>Total Liabilities</b>	<u>199 812 443</u>	<u>44 842</u>	<u>-</u>	<u>199 857 285</u>
<b>Net Assets</b>	<u>622 270 824</u>	<u>2 058 971</u>	<u>-</u>	<u>624 329 795</u>
<b>Net Assets</b>				
Accumulated surplus	622 270 824	2 058 971	-	624 329 795



**Cape Winelands District Municipality**  
Financial Statements for the year ended 30 June 2019

**Notes to the Financial Statements**

Figures in Rand 2019 2018

**31. Prior period errors (continued)**

**31.1 Other receivables from exchange transactions**

Balance previously reported	25 427 179
Other receivables	4 773
Councillor overpayment (2016/2017)*	26 761
Councillor overpayment (2017/2018)*	32 110
	<u>25 490 823</u>

A correction was made due to an amount received for a cancellation of a flight ticket that was paid and cancelled during the 2017/2018 financial year, the credit note was only received during the 2018/2019 financial year.

Additional disclosure: Consumer debtors impaired- The prior year amount disclosed for 121 days and more was restated from R32 747 to R35 165.

\*During February 2019 the Municipality became aware of the fact that Cllr. P. Hess was appointed as Head of a Section 79 committee at the local municipality since September 2016. The municipality raised the debtor in 2018/2019 for all applicable financial years in which the councillor was overpaid. The correction was made to ensure that the debtor is raised in the correct period that the overpayment was made.

**31.2 Inventories**

Balance previously reported	1 782 879
Consumables	567 014
	<u>2 359 893</u>

A journal was incorrectly processed in the 2017/2018 financial year resulting in consumables of the amount of R 283 507 to be included to the inventory balance. The error was corrected by processing a journal to add the stock, that was previously incorrectly processed.

**31.3 VAT receivable**

Balance previously reported	5 019 283
VAT on admin fee roads agency	(1 565 933)
Accruals	(3 125)
Contracted services*	(169 240)
General expenditure*	(5 341)
	<u>3 278 644</u>

The administration fee on the Roads function was incorrectly recorded as inclusive of VAT in the 2017/2018 financial year and not paid over to SARS. The Municipality however paid the outstanding amount to SARS during the 2018/2019 financial year.

An accrual was raised in the 2017/2018 financial year for software expenditure. The service provider however wrote off the invoice in the 2018/2019 financial year.

\*The South African Revenue Services ( SARS) identified sbt tax invoices that did not comply with the VAT Act. This led to a partial VAT claim rejection for the April 2018, May 2018 and June 2018 VAT periods. These amounts were incorrectly included during the 2017/2018 financial year as part of the VAT Receivable. An amount of R 169 240 relates to contracted service and R5 341 to general expenditure.

**31.4 Property, plant and equipment**

Balance previously reported	147 850 489
Depreciation: Buildings	23
Depreciation: Estimated useful life correction	3 382 954
	<u>151 213 466</u>



**Cape Winelands District Municipality**  
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**Notes to the Financial Statements**

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**31. Prior period errors (continued)**

The prior adjustment is due to rounding differences between the Import of the buildings file and the calculation of the depreciation of the system.

The Municipality assessed the fully depreciated assets in 2018/2019. During our assessment in the 2018/2019 financial year we identified an error of incorrectly recorded useful life of certain assets and it has been subsequently corrected. The error impacted the opening balance of the Accumulated depreciation of Furniture and fittings (R758 974.70), Motor Vehicles (R482 817.77), Office Equipment (R1 291 368.39), Plant and Equipment (R176 521.96), Infrastructure (R400 928.53) and other Plant and equipment (R14 883.76) and the opening balance of Accumulated surplus of the 2017/2018 financial year of R3 123 595.12. The error also impacted the depreciation for 2017/2018 financial year of Furniture and fittings (-R20 722.86), Motor Vehicles (R22 327.61), Office Equipment (-R250 682.41), Plant and Equipment (R6 456.47), Infrastructure (R6 354.70) and other Plant and equipment (-R3 093.63) and the surplus of the 2017/2018 financial year of R239 360.11.

**31.5 Intangible assets**

Balance previously reported	780 874
Intangible: Opening Balance adjustment due to Disposal*	(181 087)
Intangible: Opening Balance adjustment due to Amortisation roll-back*	50 658
Intangible: Adjustment to Amortisation 2017/18*	68 205
Intangible: Adjustment to loss on disposal 2017/18*	(83 860)
	<u>634 690</u>

\*Intangible assets expired during the 2015/2016 and 2017/2018 financial years was not disposed during the relevant financial periods and this has been corrected during the 2018/2019 financial year. The error impacted the cost of the intangible assets (R 401 769.53), accumulated depreciation (R 255 586.39), accumulated surplus (R 146 183) and the surplus (R 152 064.23) . The surplus for 2017/2018 consists of a correction to amortisation of R 68 205.25 and loss on disposal of assets of R 83 858.98.



**Cape Winelands District Municipality**  
Financial Statements for the year ended 30 June 2019

**Notes to the Financial Statements**

Figures in Rand	2019	2018
<b>31. Prior period errors (continued)</b>		
<b>31.6 Payables from exchange transactions</b>		
Balance previously reported		9 808 332
Accruals		(25 445)
SALGA: Debtor		70 287
		<u>9 853 174</u>

An invoice raised was an accrual in the 2017/ 2018 financial year and service provider however wrote off the Invoice in the 2018/2019 financial year and the accrual was reversed.

A balance raised for a SALGA debtor for the 2017/2018 financial year was incorrectly processed. The outstanding amount was paid as part of the SALGA payment for the 2017/2018 financial year and a debtor should not been raised. The debtor was also disclosed as part of payables which were incorrect.

**31.7 Accumulated surplus**

Balance previously reported	622 270 824
Accumulated Depreciation: Estimated useful life correction**	3 123 594
Depreciation: Estimated useful life correction**	239 362
Trade receivables from exchange transactions	4 772
VAT: Admin Fee roads agency	(1 565 933)
Inventory	567 016
VAT: Accruals***	(3 126)
Accruals 2017/2018 (External computer services)***	25 444
Depreciation: Buildings	23
VAT: Contracted services****	(169 240)
VAT: General expenditure****	(5 343)
SALGA: Debtor	(70 287)
Intangible: Opening Balance adjustment due to Disposal *****	(181 087)
Intangible: Opening Balance adjustment due to Amortisation roll-back *****	60 558
Intangible: Adjustment to Amortisation 2017/18 *****	68 205
Intangible: Adjustment to loss on disposal 2017/18 *****	(83 859)
Councillor overpayment (2018/2017)*****	26 761
Councillor overpayment (2017/2018)*****	32 111
	<u>624 329 786</u>

\*\*The Municipality assessed the fully depreciated assets in 2018/2019. During our assessment in the 2018/2019 financial year we identified an error of incorrectly recorded useful life of certain assets and it has been subsequently corrected. The error impacted the opening balance of the Accumulated depreciation of Furniture and fittings (R756 974.70), Motor Vehicles (R482 917.77), Office Equipment (R1 291 368.39), Plant and Equipment (R176 521.96), Infrastructure (R400 925.53) and other Plant and equipment (R14 883.76) and the opening balance of Accumulated surplus of the 2017/2018 financial year of R3 123 595.12. The error also impacted the depreciation for 2017/2018 financial year of Furniture and fittings (-R20 722.88), Motor Vehicles (R22 327.61), Office Equipment (-R250 682.41), Plant and Equipment (R8 456.47), Infrastructure (R6 354.70) and other Plant and equipment (-R3 093.63) and the surplus of the 2017/2018 financial year of R239 360.11.

A correction was made due to an amount received for a cancellation of a flight ticket that was paid and cancelled during the 2017/2018 financial year, the credit note was only received during the 2018/2019 financial year.

The administration fee on the Roads function was incorrectly recorded as inclusive of VAT in the 2017/2018 financial year and not paid over to SARS. The Municipality however paid the outstanding amount to SARS during the 2018/2019 financial year.

A journal was incorrectly processed in the 2017/2018 financial year resulting in consumables of the amount of R 283 507 to be included to the inventory balance. The error was corrected by processing a journal to add the stock, that was previously incorrectly processed.

\*\*\*An accrual was raised in the 2017/2018 financial year for software expenditure. The service provider however wrote off the invoice in the 2018/2019 financial year.



**Cape Winelands District Municipality**  
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**Notes to the Financial Statements**

Figures in Rand

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**31. Prior period errors (continued)**

The prior adjustment is due to rounding differences between the import of the buildings file and the calculation of the depreciation of the system.

\*\*\*\*The South African Revenue Services (SARS) identified six tax invoices that did not comply with the VAT Act. This led to a partial VAT claim rejection for the April 2018, May 2018 and June 2018 VAT periods. These amounts were incorrectly included during the 2017/2018 financial year as part of the VAT Receivable. An amount of R 169 240 relates to contracted service and R5 341 to general expenditure.

A balance raised for a SALGA debtor for the 2017/2018 financial year was incorrectly processed. The outstanding amount was paid as part of the SALGA payment for the 2017/2018 financial year and a debtor should not been raised. The debtor was also disclosed as part of payables which were incorrect.

\*\*\*\*\*Intangible assets expired during the 2015/2016 and 2017/2018 financial years was not disposed during the relevant financial periods and this has been corrected during the 2018/2019 financial year. The error impacted the cost of the intangible assets (R 401 769.53), accumulated depreciation (R 255 586.39), accumulated surplus (R 148 183) and the surplus (R 152 064.23). The surplus for 2017/2018 consists of a correction to amortisation of R 68 205.25 and loss on disposal of assets of R 83 858.98.

\*\*\*\*\*During February 2019 the Municipality became aware of the fact that Cllr. P. Hess was appointed as Head of a Section 79 committee at the local municipality since September 2016. The municipality raised the debtor in 2018/2019 for all applicable financial years in which the councillor was overpaid. The correction was made to ensure that the debtor is raised in the correct period that the overpayment was made.

**Cape Winelands District Municipality**  
Financial Statements for the year ended 30 June 2019

**Notes to the Financial Statements**

Figures in Rand 2019 2018

**31. Prior period errors (continued)**

**Statement of Financial Performance**

	Audited	Prior year error	Reclassification s	Restated
<b>Revenue</b>				
<b>Revenue from exchange transactions</b>				
Service charges	70 756	-	-	70 756
Rental of facilities and equipment	123 908	-	-	123 908
Agency services	97 720 254	(1 585 933)	-	96 154 321
Other income	1 525 810	-	-	1 525 810
Interest received - investment	51 928 028	-	-	51 928 028
<b>Total revenue from exchange transactions</b>	<b>161 368 756</b>	<b>(1 585 933)</b>	-	<b>149 802 823</b>
<b>Revenue from non-exchange transactions</b>				
<b>Transfer revenue</b>				
Government grants and subsidies	230 433 575	-	-	230 433 575
Fines, Penalties and Forfeits	2 000	-	-	2 000
<b>Total revenue from non-exchange transactions</b>	<b>230 435 575</b>	-	-	<b>230 435 575</b>
	161 368 756	(1 585 933)	-	149 802 823
	230 435 575	-	-	230 435 575
<b>Total revenue</b>	<b>381 804 331</b>	<b>(1 585 933)</b>	-	<b>380 238 398</b>
<b>Expenditure</b>				
Employee related costs	(185 397 997)	-	-	(185 397 997)
Remuneration of councillors	(11 363 028)	32 110	-	(11 330 916)
Depreciation and amortisation	(10 320 548)	307 589	-	(10 012 959)
Finance costs	(91)	-	-	(91)
Debt impairment reversal	-	-	2 187 943	2 187 943
Debt impairment	2 187 943	-	(2 187 943)	-
Bad debt written off	(2 257 634)	-	-	(2 257 634)
Contracted services	(50 123 794)	(169 240)	-	(50 293 034)
Lease rentals on operating lease	(484 240)	-	-	(484 240)
Transfers and subsidies	(13 495 524)	-	-	(13 495 524)
General Expenses	(81 672 138)	518 478	-	(81 153 660)
<b>Total expenditure</b>	<b>(352 927 049)</b>	<b>688 937</b>	-	<b>(352 238 112)</b>
	-	-	-	-
<b>Total revenue</b>	<b>381 804 331</b>	<b>(1 585 933)</b>	-	<b>380 238 398</b>
<b>Total expenditure</b>	<b>(352 927 049)</b>	<b>688 937</b>	-	<b>(352 238 112)</b>
<b>Operating surplus</b>	<b>28 877 282</b>	<b>(876 996)</b>	-	<b>28 000 286</b>
<b>Loss on disposal of assets and liabilities</b>	<b>(8 881 450)</b>	<b>(83 859)</b>	-	<b>(8 965 309)</b>
<b>Surplus for the year</b>	<b>19 995 832</b>	<b>(960 855)</b>	-	<b>19 034 977</b>

**Cape Winelands District Municipality**  
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**Notes to the Financial Statements**

Figures in Rand	2019	2018
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**31. Prior period errors (continued)**

**31.8 Agency services**

Balance previously reported	97 720 254
VAT: Admin fee	(1 565 933)
	<u>96 154 321</u>

The administration fee on the Roads function was incorrectly recorded as inclusive of VAT in the 2017/2018 financial year and not paid over to SARS. The Municipality however paid the outstanding amount to SARS during the 2018/2019 financial year.

**31.9 Remuneration of councillors**

Balance previously reported	11 363 028
Councillor overpayment	(32 110)
	<u>11 330 916</u>

During February 2019 the Municipality became aware of the fact that Cllr. P. Hess was appointed as Head of a Section 79 committee at the local municipality since September 2016. The municipality raised the debtor in 2018/2019 for all applicable financial years in which the councillor was overpaid. The correction was made to ensure that the debtor is raised in the correct period that the overpayment was made.

**31.10 Depreciation and amortisation**

Balance previously reported	(10 320 548)
Buildings: Depreciation	23
Depreciation: Estimated useful life correction	239 381
Depreciation intangible assets written back	68 205
	<u>(10 012 959)</u>

The prior adjustment is due to rounding differences between the import of the buildings file and the calculation of the depreciation by the system.

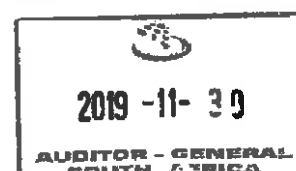
The Municipality assessed the fully depreciated assets in 2018/2019. During our assessment in the 2018/2019 financial year we identified an error of incorrectly recorded useful life of certain assets and it has been subsequently corrected. The error impacted the opening balance of the Accumulated depreciation of Furniture and fittings (R756 974.70), Motor Vehicles (R482 917.77), Office Equipment (R1 291 368.39), Plant and Equipment (R176 521.96), Infrastructure (R400 928.53) and other Plant and equipment (R14 883.76) and the opening balance of Accumulated surplus of the 2017/2018 financial year of R3 123 595.12. The error also impacted the depreciation for 2017/2018 financial year of Furniture and fittings (-R20 722.86), Motor Vehicles (R22 327.81), Office Equipment (-R250 882.41), Plant and Equipment (R6 456.47), Infrastructure (R6 354.70) and other Plant and equipment (-R3 093.63) and the surplus of the 2017/2018 financial year of R239 360.11.

Intangible assets expired during the 2015/2016 and 2017/2018 financial year was omitted. An error existed in that the assets had to be disposed during 2015/2016 and 2017/2018 financial year respectively. The error impacted the cost of the Intangible assets (R 401 769.53), accumulated amortisation (R 255 586.39), accumulated surplus (R 146 183.14) and the a surplus (R 152 084.23). The surplus for 2017/2018 consists of a correction to depreciation of R 68 205.25 and loss on disposal of assets of R 83 858.98.

**31.11 Debt impairment reversal**

Balance previously reported	-
Reclassified as Debt impairment reversal	2 187 943
	<u>2 187 943</u>

The amount written back for Debt impairment for the 2017/2018 financial year was reclassified as Debt impairment reversal on the Statement of Financial Performance to ensure a more accurate disclosure.



**Cape Winelands District Municipality**  
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**Notes to the Financial Statements**

Figures in Rand 2019 2018

**31. Prior period errors (continued)**

**31.12 Debt impairment**

Balance previously reported	2 187 943
Reclassified as Debt impairment reversal	<u>(2 187 943)</u>
	<u>-</u>

The amount written back for Debt impairment for the 2017/2018 financial year was reclassified as Debt impairment reversal on the Statement of Financial Performance to ensure a more accurate disclosure.

**31.13 Contracted services**

Balance previously reported	(50 123 794)
Business and advisory services*	(84 477)
Laboratory service*	(74 768)
Fire services*	(7 230)
Employee wellness*	<u>(22 775)</u>
	<u>(80 293 034)</u>

\*The South African Revenue Services (SARS) identified six tax invoices that did not comply with the VAT Act. This led to a partial VAT claim rejection for the April 2018, May 2018 and June 2018 VAT periods. These amounts were incorrectly included during the 2017/2018 financial year.

**31.14 General Expenses**

Balance previously reported	(81 672 138)
Printing, publications and books*	208 115
Advertising, publicity and marketing*	358 800
Travel and subsistence	4 772
Advertising, publicity and marketing	(5 343)
Professional and Regulatory Bodies (SALGA)	(70 287)
Materials and supplies*	(207 301)
Assets less than the capitalisation threshold*	207 301
External computer services	22 321
	<u>(81 163 660)</u>

\*A journal was incorrectly processed in the 2017/2018 financial year resulting in consumables of the amount of R 283 507 to be included to the inventory balance. The error was corrected by processing a journal to add the stock, that was previously incorrectly processed.

A correction was made due to a credit note received for a cancellation of a flight ticket that was paid and cancelled during the 2017/2018 financial year, the credit note was only received during the 2018/2019 financial year.

The South African Revenue Services (SARS) identified six tax invoices that did not comply with the VAT Act. This led to a partial VAT claim rejection for the April 2018, May 2018 and June 2018 VAT periods. These amounts was incorrectly included during the 2017/2018 financial year.

A balance raised for a SALGA debtor for the 2017/2018 financial year was incorrectly processed. The outstanding amount was paid as part of the SALGA payment for the 2017/2018 financial year and a debtor should not been raised. The debtor was also disclosed as part of payables which were incorrect.

\*A reclassification was made on the fire fighting's fire hoses and related items in general expenditure from assets less than capitalisation threshold to materials and supplies. This is due to the use of the items being consumed during the rendering of the service and replaced regularly.

An accrual was raised in the 2017/2018 financial year for software expenditure. The service provider however wrote off the invoice in the 2018/2019 financial year.

**Cape Winelands District Municipality**  
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**Notes to the Financial Statements**

Figures in Rand	2019	2018
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**31. Prior period errors (continued)**

**31.15 Loss on disposal of assets**

Balance previously reported	-	(8 881 450)
Depreciation intangible assets written back	-	(83 859)
	-	<u>(8 965 309)</u>

Intangible assets expired during the 2015/2016 and 2017/2018 financial years was not disposed during the relevant financial periods and this has been corrected during the 2018/2019 financial year. The error impacted the cost of the intangible assets (R 401 769.53), accumulated amortisation (R 255 586.39), accumulated surplus (R 146 183.14) and the surplus (R 162 064.23). The surplus for 2017/2018 consists of a correction to depreciation of R 68 205.25 and loss on disposal of assets of R 83 858.98.

**31.20 Additional disclosure**

**Financial instruments (Note 33)**

The comparative amounts that were disclosed in the 2018/2019 financial instruments disclosure note number 33 were amended from the amounts disclosed in the 2017/2018 financial statements. This was due to the correction of errors as included in note 31 relating to Other receivables from exchange transactions (note 31.1) and Payables from exchange transactions (note 31.8).

**Irregular expenditure (Note 37)**

Balance previously reported	-	161 465
Correction of prior period error	-	135 013
	-	<u>296 478</u>

Two cases where goods and services were acquired without following adequate processes in terms of the Supply Chain Management Policy of the Municipality that was detected during the 2017/2018 audit and dealt with as uncorrected misstatements until further clarity could be obtained. It relates to a human error in the application of the PPPFA Regulations where the incorrect B-BBEE certificate were utilised during the evaluation in terms of price and the preference points system for the installation of an alarm system. Also, additional costs for training were incurred without following adequate procurement processes.

**Additional disclosure in terms of the Municipal Finance Management Act (MFMA): Contributions to organised local government (Note 38.1)**

The Municipality received an invoice from SALGA in the 2018/2019 financial year that relates to the 2017/2018 financial year. This invoice was not previously corrected to the 2017/2018 SALGA debtor to the amount of R40 864. This led to general expenditure previously being understated to the amount of R40 864.

**Disclosures in terms of the Municipal Supply Chain Management Regulations, 2005**

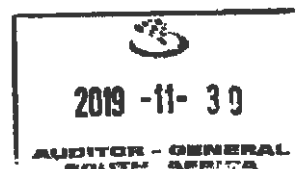
**Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36(1)(a) and (b). (Note 40.1)**

Balance previously reported	-	9 316 908
Correction of prior period error	-	(849 800)
	-	<u>8 667 108</u>

The amounts for the supply, delivery, installation and commissioning of three (3) digital colour copier/multifunctional devices were erroneously included in the 2017/2018 financial year and subsequently corrected.

**Regulation 46 - 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. (Note 40.2)**

Balance as previously reported	-	5 873 583
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**Cape Winelands District Municipality**  
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**Notes to the Financial Statements**

Figures in Rand	2019	2018
<b>31. Prior period errors (continued)</b>		
Faure and Faure Incorporated	-	(4 560)
S Pietersen t/a SP Health and Sanitation	-	(90 000)
	<u>-</u>	<u>5 779 033</u>

In the case of Faure and Faure, the amounts were erroneously included and in the case of S Pietersen t/a SP Health and Sanitation, the relevant parent retired in 2016, therefore the disclosure of the 2017/2018 financial year was adjusted.

**Councillor' amounts outstanding in respect of overpayment of remuneration due to upward change in grading (Note 38.6)**

Balance as previously reported	-	37 113
Restatement: Cllr. P. Hess	-	58 871
	<u>-</u>	<u>96 984</u>

During February 2019 the Municipality became aware of the fact that Cllr. P. Hess was appointed as Head of a Section 76 committee at the local municipality since September 2016. The municipality raised the debtor in 2018/2019 for all applicable financial years in which the councillor was overpaid. The correction was made to ensure that the debtor is raised in the correct period that the overpayment was made.

**32. Cash generated from operations**

Surplus	50 876 813	19 034 876
<b>Adjustments for:</b>		
Depreciation and amortisation	11 758 024	10 012 858
Loss on sale of assets and liabilities	881 488	8 965 309
Finance costs - Finance leases	-	91
Debt impairment	55 718	-
Debt impairment reversal	-	(2 187 943)
Movements in operating lease assets and accruals	(20 082)	(11 257)
Movements in retirement benefit assets and liabilities	(3 798 841)	12 058 176
Movements in provisions	(8 148)	(57 844)
Inventory write off	43 355	-
<b>Changes in working capital:</b>		
Other receivables from exchange transactions	(4 513 803)	(9 748 411)
Trade Receivables from exchange transactions	(75 839)	2 470 870
Other receivables from non-exchange transactions	(3 796)	190 366
Payables from exchange transactions	(5 508 026)	(920 223)
VAT	3 165 018	1 770 814
Unspent conditional grants and receipts	1 887 816	485 634
Inventories	(215 713)	(295 183)
	<u>54 305 493</u>	<u>41 744 934</u>

**33. 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	34 770	14 649
Other receivables from exchange transactions	26 381 999	22 073 885
Receivables from non-exchange transactions	73 254	89 458
Cash and Cash equivalents	658 290 226	618 034 060
	<u>682 780 249</u>	<u>638 182 052</u>

**Financial liabilities at amortised cost**

Payables from exchange transactions	4 445 148	9 953 174
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Figures in Rand	2019	2018
<b>33. Financial Instruments (continued)</b>		
Operating lease liability	-	20 082
	<u>4 445 148</u>	<u>9 973 256</u>

Refer to notes 4, 5 and 8 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 2019	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	4 445 148	-	-	-
At 30 June 2018	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	9 953 174	-	-	-
Operating lease liability	13 605	6 477	-	-

**Credit risk**

Credit risk consists mainly of cash and cash equivalents. The municipality only deposits 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	2019	2018
Other receivables from exchange transactions	26 381 999	22 073 885
Trade receivables from exchange transactions	34 770	14 649
Cash and cash equivalents	656 290 226	616 034 080
Receivables from non-exchange transactions	73 254	69 456

**Fair Value**

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:

The council has no outstanding loans as at 30 June 2019 (2018: R nil). The average interest rate on investments is 8.26% (2018: 8.15%). 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.

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**33. Financial Instruments (continued)**

There were no changes in the Municipality's approach to financial risk management from the prior year.

**34. Going concern**

We draw attention to the fact that at 30 June 2019, the municipality had an accumulated surplus (deficit) of R 675 205 607 (2018: R 652 879 140) and that the municipality's total assets exceed its total liabilities by R 675 205 607 (2018: R 652 879 140).

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 Cape Winelands District Municipality is dependent on Government Grants, including the Equitable Share, for approximately 56% of the Municipality's revenue. In addition, Provincial Allocations, including the rendering of the Roads Function, account for a further 26%.

**35. Unauthorised expenditure**

**Reconciliation of Unauthorised expenditure**

Opening balance	-	-
Approved by Council or condoned	-	-
<b>Unauthorised expenditure awaiting authorisation</b>	<b>-</b>	<b>-</b>

**36. Fruitless and wasteful expenditure**

Opening balance as previously reported	434 551	-
Opening balance as restated	434 551	-
Add: Fruitless and Wasteful Expenditure - current period	18 062	374 536
Add: Fruitless and Wasteful Expenditure - prior period	82 971	60 015
Less: Amounts recoverable - current	(486 434)	-
Less: Amount written off - prior period	-	-
Less: Amount written off - prior period	-	-
<b>Closing balance</b>	<b>68 750</b>	<b>434 551</b>

**Cases under investigations**

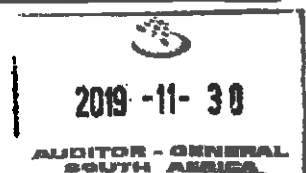
01 (2017/2018: Nil) case(s) related to payments made in terms of a contract with a contractor for the upgrading of ablution facilities in excess of the construction work completed.

**2018/2019**

- a) An Internal Investigation has been conducted by the Internal Audit Unit of the Municipality;
- b) Upon receipt of the final report, processes in terms of the provisions of Section 32 of the MFMA to be followed;
- c) Awaiting investigation by MPAC in terms of Section 32 of the MFMA to recommend to Council if irrecoverable and to be written off, alternatively to be recovered;
- d) Relevant consequence management processes will commence upon receipt of final report from appointed service provider; and
- e) No fraud was detected; hence no criminal proceedings have been instituted against the responsible officials involved.

Nil (2017/2018: 02) cases related to payments made in terms of a contract with a consulting engineer where the maximum contractual value was charged even though the project was not fully completed and where the amounts charged, exceeded the allowable fee that is based on the sub-appointed contractor's costs.

**2018/2019**



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**36. Fruitless and wasteful expenditure (continued)**

In respect of 2 cases, after an investigation by MPAC in terms of MFMA section 32, Council resolved on 29 June 2019 that the fruitless and Wasteful Expenditure made, be recovered. The relevant consequence management processes are in progress.

**2017/2018**

In respect of 2 cases -

- a) An internal investigation has been conducted by an appointed service provider;
- b) Upon receipt of the final report, processes in terms of the provisions of Section 32 of the MFMA to be followed;
- c) Awaiting investigation by MPAC in terms of Section 32 of the MFMA to recommend to Council if irrecoverable and to be written off, alternatively to be recovered;
- d) Relevant consequence management processes will commence upon receipt of final report from appointed service provider; and
- e) No fraud was detected; hence no criminal proceedings have been instituted against the responsible officials involved.

**37. Irregular expenditure**

Opening balance as previously reported	161 465	-
Correction of prior period error (note 31)	135 013	-
<b>Opening balance as restated</b>	<b>296 478</b>	<b>-</b>
Add: Irregular Expenditure - current period	-	47 719
Add: Irregular Expenditure - prior period	-	113 748
Less: Amount written off - prior period	(161 485)	-
<b>Closing balance</b>	<b>135 013</b>	<b>181 466</b>

**Cases under investigations**

**NII (2017/2018: 05) cases related to non-compliance with procurement process requirements.**

Goods and services were acquired without following adequate processes in terms of the Supply Chain Management Policy of the Municipality. In addition, one case relates to an error made in the application of the PPPFA Regulations.

**2018/2019**

In respect of 2 cases -

- a) An internal investigation has been conducted by the Internal Audit Unit of the Municipality;
- b) The relevant processes in terms of the provisions of Section 32 of the MFMA to be followed;
- c) Awaiting investigation by MPAC in terms of Section 32 of the MFMA to recommend to Council if irrecoverable and to be written off, alternatively to be recovered; and
- d) No fraud was detected; hence no criminal proceedings have been instituted against the responsible officials involved.

In respect of 3 cases, after an investigation by MPAC in terms of MFMA section 32, Council resolved that the irregular expenditure be certified as irrecoverable and be written off. The relevant consequence management processes are in progress.

**2017/2018**



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**37. Irregular expenditure (continued)**

- a) An internal investigation has been conducted by the Municipality's Internal Audit Unit, however the investigation of 2 additional cases was only concluded recently;
- b) Upon receipt of the final report, processes in terms of the provisions of Section 32 of the MFMA to be followed;
- c) Awaiting investigation by MPAC in terms of Section 32 of the MFMA to recommend to Council if irrecoverable and to be written off, alternatively to be recovered;
- d) Relevant consequence management processes will be instituted upon receipt of final report; and
- e) No fraud was detected; hence no criminal proceedings have been instituted against the responsible officials involved.

**Nil (2017/2018: 01) case(s) related to other non-compliance with laws, regulations, council policies and/or by-laws**

An expansion in excess of 20% was made on a contract for an appointed consulting engineer without following the process in terms of Section 116(3) of the MFMA.

Local Government: Municipal Finance Management Act 88 301

**2018/2019**

In respect of the 1 case, after an investigation by MPAC in terms of MFMA section 32, Council resolved that the irregular expenditure be certified as irrecoverable and be written off. The relevant consequence management processes are in progress.

**2017/2018**

In respect of the 1 case -

- a) An internal investigation has been conducted by an appointed service provider;
- b) Upon receipt of the final report, processes in terms of the provisions of Section 32 of the MFMA to be followed;
- c) Awaiting investigation by MPAC in terms of Section 32 of the MFMA to recommend to Council if irrecoverable and to be written off, alternatively to be recovered;
- d) Relevant consequence management processes will commence upon receipt of final report from appointed service provider; and
- e) No fraud was detected; hence no criminal proceedings have been instituted against the responsible officials involved.

**38. Additional disclosure in terms of Municipal Finance Management Act**

**38.1 Contributions to organised local government**

Current year subscription / fee	1 953 069	1 867 138
Amount paid - current year	(1 841 046)	(1 775 824)
Discount received 5% (5%:2018)	(112 023)	(91 314)
	<u>                  -</u>	<u>                  -</u>

**38.2 Audit fees**

Current year audit fee: Auditor General	3 351 296	2 893 425
Current year audit fee: Audit Committee	126 857	107 031
Amount paid	(3 459 888)	(3 010 013)
	<u>          17 865</u>	<u>          (9 557)</u>

**38.3 PAYE, UIF and SDL**

Current year subscription / fee	(33 874 772)	(30 793 490)
Amount paid - current year	33 874 772	30 793 480
	<u>                  -</u>	<u>                  -</u>

**38.4 Pension and Medical Aid Deductions**



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Figures in Rand	2019	2018
<b>38. Additional disclosure in terms of Municipal Finance Management Act (continued)</b>		
Current year subscription / fee	(59 989 654)	(56 749 225)
Amount paid - current year	80 064 712	56 749 225
	<u>75 058</u>	<u>-</u>

Included in medical aid deductions are amounts paid in terms of post employment obligations.

**38.5 VAT**

VAT receivable	110 626	3 275 644
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The prior year comparative amount was restated during the 2017/2018 financial year. Details are included in note 31.21.

All VAT returns have been submitted by the due date throughout the year.

**38.6 Councillors' arrear consumer accounts**

During the financial year under review no Councillor was in arrears with the settlement of rates or services.

However, the following amounts are outstanding in respect of the over payment of remuneration due to the upward change in the grading of Witzenberg, Drakenstein and Langeberg Municipality as well as the termination/resignation of councillors.

30 June 2019	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Cllr. Z.L. Gwada	-	2 463	2 463
Cllr. S. Ross	-	4 387	4 387
Cllr. S.W. Nyamana	-	769	769
Cllr. S.C. Rens	-	3 139	3 139
Cllr. P. Hess	-	54 467	54 467
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	-	3 306	3 306
	<u>-</u>	<u>79 984</u>	<u>79 984</u>

In respect of the upward grading or changes in positions held on council committees (section 79 committees) of the local municipalities within the district:

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. In view of the said determination, the Municipality recovered all overpayments as a result of the upward grading or positions held on council committees of its local municipalities except for the above mentioned councillors, where payment arrangements have been made.

Cllrs Heradien, Ross, Gwada (deceased) and Nyamana have been handed over for legal action to be instituted. Payment arrangements have been made with Cllr Rens and the outstanding balance will be recovered from each claim/allowance as it becomes due to the Cllr. During February 2019 the Municipality became aware of the fact that Cllr. P. Hess was appointed as Head of a Section 79 committee at the local municipality since September 2016. A payment arrangement has been made with Cllr Hess and the outstanding balance will be recovered from each claim or allowance as it becomes due to the Cllr.

**In respect of resignations / terminations:**

Legal action has been instituted against both Cllrs C Mcako and S Louw.

**Cape Winelands District Municipality**  
Financial Statements for the year ended 30 June 2019

**Notes to the Financial Statements**

Figures in Rand	2019	2018	
<b>38. Additional disclosure in terms of Municipal Finance Management Act (continued)</b>			
<b>30 June 2018</b>			
	<b>Outstanding less than 90 days R</b>	<b>Outstanding more than 90 days R</b>	
		<b>Total R</b>	
Cllr. P Heradien (resigned 10/12/2014)	-	10 315	10 315
Cllr. C. Mcoke (resigned 29/08/2016)	-	1 138	1 138
Cllr. Z.L. Gwada	-	2 463	2 463
Cllr. S. Ross	-	4 387	4 387
Cllr. S.W. Nyamana	-	789	789
Cllr. L.S. Sambokwe	-	7 028	7 028
Cllr. S.C. Rens	-	11 013	11 013
Cllr. P. Hess	-	58 871	58 871
	<u>-</u>	<u>95 984</u>	<u>95 984</u>

**In respect of upward grading of the local municipalities within the district:**

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. In view of the said determination, the Municipality recovered all overpayments as a result of the upward grading of its local municipalities, except for the above mentioned councillors, where payment arrangements have been made.

No cooperation has been received from the then Cllr P Heradien, thus the Municipality will pursue further legal action. In addition Cllrs Ross, Gwada and Nyamana did not honour the payment arrangements made and the Municipality will pursue further legal action. New payment arrangements have been made with Cllr Sambokwe & Cllr Rens and the outstanding balance will be recovered from each claim/allowance as it becomes due to them.

The prior year comparative amount was restated during the 2018/2019 financial year. Details are included in prior period error note 31.

**In respect of resignations / terminations:**

The then Cllr. C. Mcoke did not honour the previous arrangement made to settle the outstanding amount on 31 July 2017. The Municipality will pursue further legal action.

**38.7 Particulars of non-compliance**

**2018/2019**

Regulation 2(3)(a) of the Municipal Supply Chain Management Regulations, 2005 stipulates that no municipality may act otherwise than in accordance with its supply chain management policy when procuring goods or services. Goods or services were acquired without following adequate procurement processes. Matters that was detected during the 2017/2018 audit was investigated in the 2018/2019 financial year and subsequently dealt with as a prior period adjustment. (Amounts disclosed are inclusive of VAT).

**2017/2018**

Regulation 2(3)(a) of the Municipal Supply Chain Management Regulations, 2005 stipulates that no municipality may act otherwise than in accordance with its supply chain management policy when procuring goods or services. Goods or services were acquired without following adequate procurement processes. The non-compliance for the prior year was identified in the 2017/2018 financial year. (Amounts disclosed are inclusive of VAT).

Expansion above 20% without following S116(3) of the MFMA	-	-
Acquisition of goods and services without following adequate procurement processes	-	182 732
Other	-	-
	<u>-</u>	<u>182 732</u>

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Figures in Rand	2019	2018
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**38. Additional disclosure in terms of Municipal Finance Management Act (continued)**

The Municipality will consider to request National Treasury for condonation in terms of Section 170 of the MFMA on the matters above.

**38.8 Intergovernmental allocations**

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 the CWDM for projects as identified by the respective local municipality in terms of service level agreements:

**Intergovernmental allocations made to another municipality**

Breede Valley Municipality	500 000	500 000
Langeberg Municipality	500 000	500 000
Witzenberg Municipality	500 000	500 000
	<u>1 500 000</u>	<u>1 500 000</u>

**39. Reconciliation between budget and annual financial statements**

**Reconciliation of variances between budget statement and the final approved budget.**

Service charges (Amount as per budget schedule)	-	-
Service charges	200 000	-
Transfer to Licenses or Permits	(63 900)	-
Amount as per final approved budget	<u>136 100</u>	<u>-</u>

Service charges was remapped from Other revenue to adhere to the standards of GRAP and transfers were made to other revenue items.

Rental of facilities and equipment (Amount as per budget schedule)	220 000	-
Transfer from Other income	28 400	-
Amount as per final approved budget	<u>248 400</u>	<u>-</u>

Provision was made for additional rental income received.

Agency Services (Amount as per budget schedule)	128 389 752	-
Management fees: Income	13 982 101	-
Management fees: expenditure	(13 982 100)	-
Transfers to Other income	(2 024 970)	-
Amount as per final approved budget	<u>126 364 783</u>	<u>-</u>

Management fees was remapped to Agency services to adhere to the standards of GRAP.

Licenses and permits (Amount as per budget schedule)	300 000	-
Transfers to Licenses and Permits	63 900	-
Licenses and permits	(363 900)	-
Amount as per final approved budget	<u>-</u>	<u>-</u>

Licences and permits were remapped to Other revenue to adhere to the standards of GRAP. Transfers were made to Licences and permits to account for additional income received.

Transfers and subsidies (Amount as per budget schedule)	236 022 652	-
Public Sector SETA	(289 000)	-
Amount as per final approved budget	<u>235 733 652</u>	<u>-</u>

SETA refunds were remapped from Transfers and subsidies to Other revenue to adhere to the standards of GRAP.



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Figures in Rand 2019 2018

**39. Reconciliation between budget and annual financial statements (continued)**

Other revenue (Amount as per budget schedule)	18 097 091	-
Management fees	(13 962 101)	-
Service charges	(200 000)	-
Public Sector SETA	289 000	-
Advertisements	(50 000)	-
Licenses and permits	300 000	-
Transfers to Other revenue items	814 600	-
<b>Amount as per final approved budget</b>	<b>3 288 590</b>	<b>-</b>

Other revenue was remapped to adhere to the standards of GRAP.

Interest received (Amount as per budget schedule)	54 000 000	-
Transfers to Interest received	1 245 870	-
	<b>55 245 870</b>	<b>-</b>

Provision was made for additional Interest Income.

Employee related costs (Amount as per budget schedule)	212 412 275	-
Learnerships and Internships	2 103 000	-
Workmen's compensation fund	1 133 636	-
Bargaining council	(4 400)	-
Transfers to Employee related costs	1 347 600	-
<b>Amount as per final approved budget</b>	<b>216 992 111</b>	<b>-</b>

Learnerships and internships and Workmen's compensation fund were remapped from General expenses to Employee related cost to adhere to standards of GRAP. Bargaining council was remapped from Employee related cost to General expenses to adhere to the standards of GRAP.

Depreciation and amortisation (Amount as per budget schedule)	9 989 893	-
Transfers from other expenditure items	3 105 460	-
<b>Amount as per final approved budget</b>	<b>13 095 353</b>	<b>-</b>

Provision was made for additional depreciation.

Debt impairment (Amount as per budget schedule)	1 186 275	-
Transfers from Bad debt written off	(120 000)	-
Bad debt written off	(1 066 275)	-
Transfer to impairment loss	55 750	-
<b>Amount as per final approved budget</b>	<b>55 750</b>	<b>-</b>

Debt impairment was remapped to Bad debt written off to adhere to the standards of GRAP and provision was made for impairment loss.

Bad debt written off (Amount as per budget schedule)	-	-
Debt impairment	1 186 275	-
Transfer to other expenditure	(120 000)	-
<b>Amount as per final approved budget</b>	<b>1 066 275</b>	<b>-</b>



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**39. Reconciliation between budget and annual financial statements (continued)**

Bad debt written off was remapped to adhered to the standards of GRAP

Lease rentals on operating lease (Amount as per budget schedule)	-	-
Lease rentals on operating lease	1 029 000	-
Transfers to and from Operating leases	(742 300)	-
<b>Amount as per final approved budget</b>	<b>286 700</b>	<b>-</b>

Lease rentals on operating lease were remapped from General expenses to adhere to the standards of GRAP

Transfers and subsidies (Amount as per budget schedule)	10 856 300	-
Transfers to Transfers and subsidies	1 570 000	-
<b>Amount as per final approved budget</b>	<b>12 426 300</b>	<b>-</b>

Transfers were made to Transfers and subsidies to correct expenditure recorded against the incorrect expenditure categories.

Contracted services (Amount as per budget schedule)	62 672 512	-
Transfers to and from Contracted services	(4 592 083)	-
<b>Amount as per final approved budget</b>	<b>58 080 429</b>	<b>-</b>

Transfers from and to contracted services was necessary to allocate items against correct expenditure categories according to GRAP.

Other materials (Amount as per budget schedule)	33 566 117	-
Transfers to and from Other materials	(2 296 867)	-
General expenses	(31 269 250)	-
<b>Amount as per final approved budget</b>	<b>-</b>	<b>-</b>

Other materials were remapped to General expenses to adhere to the standards of GRAP.

General Expenses (Amount as per budget schedule)	89 922 787	-
Advertisements	(50 000)	-
Leaverships and Internships	(2 103 000)	-
Bargaining council	4 400	-
Workmen's compensation fund	(1 133 636)	-
Lease rental on operating leases	(1 029 000)	-
Other materials	33 566 117	-
Management fees	(13 962 100)	-
Transfers to and from general expenses	(1 576 087)	-
<b>Amount as per final approved budget</b>	<b>103 639 481</b>	<b>-</b>

Advertisements was remapped from Other Revenue to General expenses to adhere to the standards of GRAP. Leaverships and Internships and Workmen's compensation fund were remapped from General expenses to Employee related cost to adhere to the standards of GRAP. Bargaining council was remapped from Employee related cost to general expenses to adhere to the standards of GRAP. Lease rentals on operating lease were remapped from general expenses to adhere to the standards of GRAP. Other Materials was remapped to General expenditure to adhere to the standards of GRAP. Management fees was remapped from General expenses to Agency services.

Loss on disposal of assets and liabilities (Amount as per budget schedule)	20 000	-
Transfers to Loss on disposal of assets	908 260	-
<b>Amount as per final approved budget</b>	<b>928 260</b>	<b>-</b>

Transfers were made to Loss on disposal of property, plant and equipment to make provision for disposal of assets at year end.

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**39. Reconciliation between budget and annual financial statements (continued)**

Inventories losses (Amount as per budget schedule)	-	-
Transfer to Inventories losses	43 400	-
<b>Amount as per final approved budget</b>	<b>43 400</b>	<b>-</b>

Provision was made for Inventories losses at year end.

**39.2 Statement of financial position**

Other debtors (Amount as per budget schedule)	34 694 595	-
VAT receivable	(112 000)	-
Receivable from non- exchange transactions	(74 000)	-
Other receivables from exchange transactions	(34 508 595)	-
<b>Amount as per final approved budget</b>	<b>-</b>	<b>-</b>

Other debtors were remapped to adhere to the standards of GRAP.

Trade and other payables from exchange transactions (Amount as per budget schedule)	16 633 000	-
Unspent conditional grants	(2 000 000)	-
<b>Amount as per final approved budget</b>	<b>14 633 000</b>	<b>-</b>

Unspent conditional grants was remapped from trade and other payables to adhere to the standards of GRAP

Unspent Conditional Grants (Amount as per budget schedule)	-	-
Unspent Conditional Grants	2 000 000	-
<b>Amount as per final approved budget</b>	<b>2 000 000</b>	<b>-</b>

Provisions (Amount as per budget schedule)	30 070 434	-
Employee benefit obligation	(30 058 434)	-
	<b>14 000</b>	<b>-</b>

Employee benefit obligation was remapped to adhere to the standards of GRAP

**39.3 Cashflow statement**

Suppliers and Employees (Amount as per budget schedule)	363 400 287	-
Employee cost	(198 297 075)	-
Suppliers	(161 916 167)	-
Remuneration to councillors	(12 458 055)	-
Transfers and Grants	9 271 000	-
<b>Amount as per final approved budget</b>	<b>-</b>	<b>-</b>

Employee cost, Suppliers, Remuneration to councillors and Transfers and grants was remapped to adhere to the standards of GRAP.

Employee cost (Amount as per budget schedule)	-	-
Employee cost	198 297 075	-
<b>Amount as per final approved budget</b>	<b>198 297 075</b>	<b>-</b>

Employee cost was remapped from Suppliers and Employees to adhere to the standards of GRAP.

Remuneration of councillors (Amount as per budget schedule)	-	-
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**39. Reconciliation between budget and annual financial statements (continued)**

Remuneration of councillors	12 458 055	-
<b>Amount as per final approved budget</b>	<u>12 458 055</u>	<u>-</u>

Remuneration of councillors was remapped from Suppliers and Employees to adhere to the standards of GRAP.

Transfers and grants (Amount as per budget schedule)	9 271 000	-
Transfers and grants	(9 271 000)	-
<b>Amount as per final approved budget</b>	<u>-</u>	<u>-</u>

Transfers and grants was remapped to Suppliers to adhere to the standards of GRAP.



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**40. Decisions in terms of the Municipal Supply Chain Management Regulations, 2005**

**40.1 Regulation 38(2) - Details of deviations approved by the Accounting Officer in terms of Regulation 38(1)(a) and (b).**

2019	Total Value (incl. VAT)	Emergency	Sole Supplier/ Agent	Impractical/ Impossible
July	2 379 108	-	-	15
August	300 880	-	5	20
September	910 257	-	3	33
October	711 306	-	0	37
November	401 183	-	2	27
December	1 982 180	-	5	23
January	185 769	-	-	18
February	143 632	-	2	13
March	89 417	-	1	12
April	94 277	-	2	0
May	328 870	-	8	6
June	508 646	-	7	28
	<b>7 941 632</b>		<b>40</b>	<b>238</b>
2018	Total Value (incl. VAT)	Emergency	Sole Supplier/ Agent	Impractical/ Impossible
July	011 788	-	19	11
August	806 277	-	16	12
September	552 630	-	14	25
October	484 422	-	15	15
November	236 849	-	7	20
December	336 685	-	4	21
January	2 271 182	-	30	6
February	606 642	-	16	11
March	732 480	-	5	10
April	109 884	-	2	5
May	622 305	-	9	18
June	1 283 080	-	10	13
	<b>8 667 108</b>		<b>166</b>	<b>184</b>

The prior year comparative amount was restated during the 2014/2010 financial year. Details are included in prior period error note 31.

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. (Awards disclosed include VAT)

Supplier	Relationship	Name of Family Member	Name of Institution	Capacity	2019	2018
C Bar Landscaping Close Corporation	Child	E Ntshani	Cape Winelands District Municipality	Senior Administrator: Quotations & Tenders	-	289 017,00
AE Hume TM Asks Catering	Child	L Burger	Cape Winelands District Municipality	Environmental Health Practitioner	5 648,00	215 210,00
All Human Tinting (Pty) Ltd	Child	L Burger	Cape Winelands District Municipality	Environmental Health Practitioner	208 801,00	
M A N Reinforce Glass Corporation	Spouse/Partner	E Ntshani	Cape Winelands District Municipality	Senior Administrator: Quotations & Tenders	20 853,72	71 881,00
Aerwin Builders	Child	V Adisa	Cape Winelands District Municipality	Workshop Assistant/Robinson	15 450,00	25 850,00
Price Colouring and Clearing (Pty) Ltd	Child	C Pato	Cape Winelands District Municipality	Student: Information & Communication Technology	204 320,00	39 810,00
REG Environmental Services Proprietary Limited	Spouse	G Rieder	City of Cape Town	Head of Invasive Species: Biodiversity Centre, West Lake	779 285,75	702 083,00
Mookghele Trading 77 Close Corporation	Child	B Gollins	Department of Agriculture	Sen Admin officer: Dept of Agriculture, Forestry & Fisheries	103 857,85	39 592,00
	Child	S Gollins	Western Cape Education Department	Teacher at Du Noon		
Gryde Enterprises Proprietary Limited	Child	G Erasmus	City of Cape Town	Personal Assistant to Council Manager at City of Cape Town		1 000,00
EMEC South Africa Proprietary Limited	Spouse	Y Phiso	Department of Economic Development and Tourism	MEC: Economic Development	1 110 227,72	2 882 571,50
J Walters the J C Travel	Spouse	G Walters	Department of Education	Secretary of School	27 000,00	41 100,00
Platon Power Chemicals Close Corporation	Spouse	N Andiso	Department of Education	Teacher	244 489,50	213 635,00
Robertson Staff Trust	Spouse	D B Augustin	Department of Education	Teacher of Dagrisk Primary	80 847,72	82 878,00

Supplier	Relationship	Name of Family Member	Name of Institution	Capacity	2019	2018
Peterman and Bunn Investments 16 Kings Coleridge	Sister	T September	Department of Health	Asst. Director, Fin. SCM: Facilities & Management	18 459,85	-
Tromps's Stone Parts and Clearing Services	Sister	T Lebeaux	Tromps's Port Trenchard	Monthly	318 441,00	
Gene ICT Group Proprietary Limited	Spouse	N Nomsa	Department of Human Settlements	Director	167 828,02	118 099,80
Ajax Consultancy Close Corporation	Spouse	J Wilson	SAPS	Captain	88 428,00	18 428,00
Bahari Consultancy Agencies (Pty) Ltd	Parent	N Nomsa	SAPS	Junior Clerk	30 000,00	-
Johi Global Agriculture Proprietary Limited	Spouse	O David	SAPS	Sergeant	1 004 158,00	803 158,00
Lablaster Logistics Machine (Pty) Ltd	Spouse	RA Lombard	Department of Correctional Services	Environmental Health Practitioner	164 497,68	
	Spouse	Andriana, HC	Special Investigating Unit	Legal Representative		
	Parent	Berry, CJ	City of Cape Town	Head: Finance		
	Parent	KA Eland	Western Cape Government Transport & Public Works	Chief Architect		
	Parent	Betha, T	Bathsheem Municipality	Technical Manager		
	Spouse	Barnes, WZ	Cape Nature	Program Manager		
	Parent	EMWYNEN, HJ	Winkelmont District Municipality	Senior Manager - Roads		
	Son	Gokorhaya, N	Tromps's Port Trenchard	Mechanical Engineer		
	Sister	Gogo, Y Dr	Robert Albert Luthuli Hospital	Senior Specialist - Paediatric Haematology		
	Daughter	Gorendic, T	Magical Video/Photo Management	Post Maintenance Administrator		
	Parent	Grobelaar, SM	Western Cape Department of Cooperative Governance	Town and Regional Planner		
	Brother	Harjoob, E	Linlippo Department of Economic Development, Environment & Tourism	Manager		

  
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Supplier	Relationship	Name of Family Member	Name of Institution	Capacity	2018	2019
Aitekon South Africa Proprietary Limited	Parent	Hogg, A	Stellenbosch Municipality	Assistant Superintendent	40 300,00	
	Spouse	Hogg, JH	SARS	Regional Manager		
	Spouse	Hoguard, A	Department of Correctional Services	Principle Network controller		
	Spouse	Jacobs, J	Eastern Cape Department of Education	Personnel Assistant to Chief Director		
	Parent	Koymans, B	Heerlen Municipality	Accountant		
	Parent	Kruger, BJ Gr	OWDM & Branda Valfry Municipality	Councillor		
	Spouse	Marques, M	Department of Home Affairs	Deputy Director		
	Uncle	Mazibane, D	Department of Local Government and Traditional Affairs	Officer		
	Employee	Moyshen, M	Buffalo City Metropolitan Municipality	Airmon employee (resigned 31 December 2014)		
	Parent	Motshale, RT	Eastern Cape Arts and Culture Council	Chief Executive Officer		
	Parent	Muon, Ad	Department of Water Affairs	Chief Engineer		
	Spouse	Nelissen K	National Department of Public Works	Director: Key Account Management		
	Spouse	Nwabube, D	Buffalo City Metropolitan Municipality	Officer		
	Cousin	Nwabuzor, M	Branda Valfry Municipality	Officer		



Supplier	Relationship	Name of Family Member	Name of Institution	Capacity	2019	2020
	Parent	Webster, NJ	Eastern Cape Department of Health	Official		
	Spouse	O'Connell, SM	Stil Flourie Municipality	Electrician		
	Spouse	PW Chamausca	Nelson Mandela Municipality	Senior Manager - Technical Services and Project Management		
	Parent	Prinzieb, PS	Stil Flourie Municipality	Chief Officer - Community Services		
	Spouse	R Roddy-Madumo	Development Bank SA	Project Preparation Specialist		
	Spouse	Rodrik, JH	SBA Reserve Bank	Engineering		
	Parent	Ruberman, JM	Ekurhuleni Metropolitan Municipality	Roads Engineer		
	Sister	Sengana, B	City of Cape Town	Head of Security Architecture		
	Wife	Sheld, IR Dr	Nelson Mandela Bay Metropolitan University	Senior Manager - Staff Development		
	Parent	Tobene, R	Ekurhuleni Metropolitan Municipality	Executive Manager		
	Spouse	Thorn, J	Nelson Mandela Metropolitan University Business School	Head Graduate School Relations		
	Spouse	Trickett, J	Department of Water Affairs	Deputy Director - Agricultural Programs		
	Father-in-Law	Van Rensburg, M	Edson	Executive of Transmission Department		
	Father	Van Tass, AH	Stellenbosch Municipality	Director - Water and Sewerage		
	Spouse	Venter, ZC	Eastern Cape Department of Health	Deputy Director - Employment Relations		
	Parent	Vermolen, PC	City of Cape Town	Superintendent- Building Maintenance		
	Parent	Wills, J	Corrections Services	Vice Director - Provincial		
	Spouse	Wolynski, NS	BDC	Senior Accounts Manager		

Supplier	Relationship	Name of Family Member	Name of Institution	Capacity	DPF	SB19
	Brother	David Mallett	Department of Road Development and Land Reform	Director: Spatial Planning & Land Use Management		
	Spouse	Alan Mason	City of Cape Town	Head: Business Continuity		
	Son-in-law	John Watson	National Treasury - Office of Accountant General	Director - Accounting Support and Reporting		
	Spouse	Spence Gillies	Department of Education	Teacher		
	Aunt	Fausta Peer	Ethekwini Municipality	Deputy Mayor, Chair of Finance and Procurement		
	Spouse	Nobuhle Mkhize	National Department of Water Affairs and Forestry	Accounting Clerk		
	Mother	Irma Dink	Department of Education - Free State	Teacher		
	Spouse	Nandani Msoyisa	Department of Correctional Services	Correctional Officer		
	Spouse	Jacqueline Gorch	Department of Transport and Public Works	Head of Department		
	Spouse	Uzairi Lelonyani	Department of National Treasury	Deputy Director - Grant Monitoring and Analysis		
	Partner	Danielle Kervot	Department of Water Affairs and Forestry	Area Manager (Water)		
	Spouse	Rafy Behrens	Capem	Senior Engineer		
	Brother	Ebrahim Freeman Phisoa	Economic Development	Director ICT		
	Brother	Randall Phisoa	Sports and Recreation	Senior Control Officer		
	Sister	Makgale Mavula	Eastern Cape Department of Human Settlements	Control Violate Inspector		
	Spouse	Conrad Hering	Department of Transport and Public Works	Electrical Engineer		
	Son-in-law	Doreenah Davila	City of Cape Town	Admin Officer		
	Brother-in-law	Hilton Davila	City of Cape Town	Admin Officer		

Supplier	Relationship	Name of Family Member	Name of Institution	Capacity	2018	2019
Gibb Proprietary Limited	Mother	Berndt Blyth	Department of Education	Human Resource Officer	385 400,00	-
	Brother	Jon Blyth	Department of Asset Management and Maintenance in Transport	Head of Department		
	Spouse	Clare Alderman	Western Cape Department of Education	Teacher		
	Aunt	P O'Shea	SAPS	Chief Accounting Clerk		
	Spouse	Thando Gqoke	Edithville Municipality	Civil Engineering Technician		
	Husband	Danovan O'Reilly	SAPS	Warrant Officer		
	Spouse	Shumbhira Jelle	Western Cape Department of Transport	Assistant Manager - Asset Management		
	Spouse	Veronica Mavoto	Molweni Municipality	PMU Manager		
	Spouse	Libel Sophia Gqoke	Department of Higher Education and Training	Lecturer		
	Cousin	Phaedra Mavoto	Edithville Municipality	Senior Civil Technician		
	Spouse	Lerandi Mthembuani	Benoni Municipality	Senior Rates Clerk		
	Sister	Yvette Joubert	Western Cape Education Department	Teacher		
	Brother	Heinrich Rudolf Joubert	Department of Justice	Magistrate		
	Sister	Gerdie Yvette Mavoto	Department of Higher Education and Training	Acting Deputy Director General		
	Sister	Theo de Witte	Edison Rank Industries	Senior Service Engineer		
	Brother-in-law	Wesley Numbani Mthembuani	Dept of Western Resources	Senior Inspector		
	Sister-in-law	Tshabo Victoria Kabi	Edison Generation	Senior Technician		
	Spouse	K Nkomo	Beaufort Department of Education	Head of Department Mathematics		



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Supplier	Relationship	Name of Family Member	Name of Institution	Capacity	2018	2019
	brother	M B Hlati	City Engineers	Architect/Town Planner		
					R 189 861,21	R 782 653,00

The prior year comparative amount was restated during the 2018/2019 financial year. Details are included in prior period error note 31.

  
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**41. Provisions**

**Reconciliation of provisions - 2019**

	Opening Balance	Additions	Utilised during the year	Total
Provision (Insurance claims)	21 620	13 471	(21 620)	13 471

**Reconciliation of provisions - 2018**

	Opening Balance	Additions	Utilised during the year	Total
Provision (Insurance claims)	79 564	21 620	(79 564)	21 620

The provision relates to insurance claims, which were not finalised at year end, but was finalised before the financial statements was authorised for issue.

**42. Transfers and subsidies**

Fire services	250 000	250 000
Farmer households	3 068 655	3 896 688
Community and social services	2 251 000	1 882 788
Bursaries	81 281	1 713 760
Social relief	400 000	798 000
Tourism	2 376 000	1 700 000
Sport and recreation	2 996 847	3 254 278
	<u>11 423 783</u>	<u>13 496 524</u>

**43. Contracted services**

**Outsourced Services**

Alien Vegetation Control	2 342 260	2 142 362
Burial Services	9 000	13 500
Business and Advisory	2 487 478	4 242 058
Cleaning Services	439 330	426 076
Clearing and Grass Cutting Services	1 876 315	3 120 248
Hygiene Services	846 308	809 743
Professional Staff	1 616 973	1 325 218
Security Services	3 016 626	2 750 957
Translators, Scribes and Editors	438 613	367 826

**Consultants and Professional Services**

Business and advisory	3 976 800	4 919 403
Infrastructure and planning	1 924 806	6 232 310
Laboratory services	1 601 585	1 711 143
Legal cost	158 984	36 221

**Contractors**

Artists and Performers	338 140	433 100
Audio-visual Services	35 600	41 194
Catering Services	2 021 176	2 207 427
Employee Wellness	173 850	226 501
First Aid	22 558	24 895
Fire Services	13 608 534	11 417 960
Gardening Services	48 896	78 651
Graphic Designers	16 235	-

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<b>43. Contracted services (continued)</b>		
Maintenance of Buildings, Facilities, Equipment and Unspecified Assets	6 017 457	7 128 999
Pest Control and Fumigation	15 180	16 713
Photographer	5 050	12 650
Plants, Flowers and Other Decorations	39 367	351 640
Transportation	5 840	-
Stage and Sound Crew	101 650	147 687
Exhibit Installations	-	6 500
	<b>43 484 511</b>	<b>60 293 034</b>

**44. Contingencies**

**44.1 Contingent liabilities**

(i) 2019: The status of the delictual claim for damages in the amount of R451 000 remains the same as reported on the previous year. 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.

*(2018: Delictual claim for damages in the amount of R451 000. 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 and remains the same as reported in the previous year.*

(ii) 2019: The status of the claim is 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 plaintiff included the Cape Winelands District Municipality as the second of three defendants in this matter. 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.

*(2018: 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 plaintiff included the Cape Winelands District Municipality as the second of three defendants in this matter. 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.)*

(iii) 2019: The status of the claim 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 Conradie 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 file is currently pending as the plaintiff's attorney has not taken any further action, 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.

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**44. Contingencies (continued)**

*(2018: 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 relief that the defendants' (Thera Trust) are seeking, is as follow: (a) that the District Municipality be held liable for a contribution to the defendant in respect of the damages, (b) that the court make an order declaring a respective degree of fault of the Third Party in relation to the said damages, (c) an order fixing the amount which the Third Party is obliged to contribute towards any damages payable by the defendants. 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) 2019: On 15 February 2019 a Combined Summons was issued by the Magistrates Court for the District of Tulbach under Case No 18/2019 in terms of which HR de Waal (the plaintiffs) instituted action against the Cape Winelands District Municipality for damages suffered to the amount of R24 802,19 as a result of a motor vehicle collision that was driven an employee of the Cape Winelands District Municipality on 27 November 2017. The matter was reported to the District Municipality's insurers and they appointed a legal firm to defend the case. The relief the plaintiff are seeking is as follows: (a) that the District Municipality be held liable for the damages to the amount of R24 802,19, (b) interest on the aforesaid amount at the prescribed interest rate per annum from the date of the demand to the date of payment, (c) costs of suit.

(v) 2018: The Municipality is still waiting on the outcome of 2 public liability claims, 14 third party accident claims and 2 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.

*(2018: The Municipality is still waiting on the outcome of 2 public liability claims and 14 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.)*

**44.2 Contingent assets**

(i) 2019: The Municipality is still awaiting the outcome of 5 insurance claims that were not concluded at 30 June 2018. The claims are not specific to the 2018/2019 financial year.

*(2018: The Municipality is still awaiting the outcome of 5 insurance claims that were not concluded at 30 June 2018. The claims are not specific to the 2017/2018 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.

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**45. Related parties**

The following related parties exist:

National Treasury  
 Provincial Government Western Cape  
 National Department of Environmental Affairs  
 Stellenbosch Municipality  
 Drakenstein Municipality  
 Breede Valley Municipality  
 Langeberg Municipality  
 Witzenberg Municipality  
 Municipal Manager (M. Mgajo) Term ended 02/08/2017  
 Municipal Manager (H.F. Prins) Appointed 01/12/2017  
 Chief Financial Officer (F.A. Du Raan-Groenewald)  
 Executive Director: Community Development and Planning Services (C.V. Schroeder)  
 Executive Director: Technical Services (F.A. van Eck)  
 Ald (Dr) H. von Schlicht (Executive Mayor)  
 Cllr C. Meyer (Speaker)  
 Cllr D. Swart (Deputy Executive Mayor)  
 Cllr Z.L. Masoka Appointed 14/05/2018  
 Cllr G.J. Carinus  
 Cllr J.D.F. van Zyl  
 Cllr J.J. du Plessis  
 Cllr L.W. Niehaus  
 Cllr A. Florence  
 Cllr P.C. Ramokhabi  
 Cllr L. Landu  
 Cllr M.M. Adriaanse Resigned 10/09/2018  
 Cllr R.B. Arnolds Resigned 02/04/2018  
 Cllr W.M. Blom  
 Cllr A. Crombie  
 Cllr C. Damens  
 Cllr P. Daniels  
 Cllr R. du Toit  
 Cllr G.J. Fredericks  
 Cllr E. Gouws Resigned 10/06/2018  
 Cllr P. Heas  
 Cllr X. Kalipa  
 Cllr M.T. Klaas  
 Cllr N.S. Louw Resigned 25/07/2018  
 Cllr S.S. Magqazana  
 Cllr P. Marran Resigned 14/05/2019  
 Cllr E.S.C. Matjan  
 Cllr J.S. Mouton  
 Cllr R.S. Nalunango  
 Cllr B.B. Ntshingila  
 Cllr E. Qhankqiso  
 Cllr S.C. Rens  
 Cllr L.S. Sambokwe  
 Ald J.W. Schuurman  
 Cllr A.J. Shbill  
 Cllr L.N. Siwakamisa  
 Cllr D.R.A. Snyders  
 Cllr C. Steyn  
 Cllr N. Tetena  
 Cllr J.J. van Rooyen  
 Cllr W. Vrolick  
 Cllr C.F. Wilskut  
 Cllr D.D. Joubert Appointed 31/08/2018  
 Cllr J. Smit Appointed 02/10/2018  
 Cllr N.D. Sauerman Appointed 03/10/2018



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### 45. Related parties (continued)

The salaries and remuneration of key management and councillors are disclosed in notes 24 & 25 of the Annual Financial Statements.

The Provincial Government Western Cape (Department of Transport and Public Works) provide the necessary funds to the Municipality to maintain, repair, protect and manage the proclaimed Provincial Roads in the area of the Municipality. A functional organisational structure, staff establishment and cost of employment is agreed to by both parties and funds are made available to maintain the approved organogram; hence partly utilised to fund the Municipality's employee costs in respect of the execution of the Roads Function.

The Provincial Government Western Cape supply the Municipality with the necessary plant and equipment (yellow fleet and equipment) in order to render the Roads function. The Municipality utilises the said fleet and equipment at no cost however, cost incurred relates to maintenance and fuel.

The Municipality utilised facilities provided by the local municipalities within the Cape Winelands District during the financial year for various programmes and events hosted by the different departments.

#### Related party transactions

Western Cape Investment and Trade Promotion Agency (WESGRO) is a public entity as envisaged in the PFMA, and is managed by a Board of Directors appointed by Executive Authority. WESGRO is the Official Tourism, Trade & Investment Promotion Agency for Cape Town and the Western Cape. The Executive Mayor, Ald (Dr) H Von Schlicht, serve as a WESGRO Board member. The CWDM made payments to WESGRO for the Indaba Tourism Expo, World Travel Market Africa event, Meetings Africa, Educationals and Media Educationals.

The ACVV is a non-profit organisation in the social services field. The ACVV consists of a National Council & Head Office, 115 branches in 4 provinces affiliated to ACVV National Council and 220 service programs across 5 service focus areas. The Executive Mayor, Ald (Dr) H Von Schlicht, is on the Executive Management of the organisation as well as involved at ACVV Wellington. The CWDM made transfers to ACVV Roberison, Utopia and Sonskyn Dienssentrum in respect of the Municipality's Community Support project.

#### WESGRO

Payments for participation and attending Meetings Africa	50 000	-
Payments for shared exhibitor costs of the Indaba Tourism Expo	200 000	150 500
Payments for floorspace and furniture for the World Travel Market Africa Event	150 000	199 989
Payments for educationals and media educationals	30 000	24 000
	<b>430 000</b>	<b>374 489</b>

#### ACVV

Payments for Community Support project	12 500	24 000
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### 46. Change in estimate

#### Property, plant and equipment

The prior year accounting estimates relating to the estimated useful lives of furniture and fittings, office equipment, plant and equipment and other plant and equipment were evaluated during the 2018/2019 financial year and the changes in estimates were implemented on 01 July 2018. This led to a change in the depreciation for the 2018/2019 financial year from the 2017/2018 financial year. The amount of the depreciation, had the change in accounting estimate not been effected, the effect of the change in accounting estimate on depreciation for the 2018/2019 financial year as well as the amended depreciation are as follows

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Figures in Rand	2019	2018
<b>46. Change in estimate (continued)</b>		
<b>Asset type description</b>	<b>Total of depreciation on assets for 2018-19 had no change been effected:</b>	<b>Total new depreciation for 2018-19 after the change was effected:</b>
		<b>Difference: Increase/ (decrease) in depreciation</b>
Furniture and fittings	(2 051)	11 734
Office equipment	(108 438)	358 257
Other plant and equipment	(4 158)	4 343
Plant and equipment	(3 378)	16 263
	<u>(118 025)</u>	<u>390 597</u>
		<u>272 572</u>
<b>Furniture and fittings</b>		
Change in depreciation for 2018-19		9 683
Change in accumulated depreciation for 2018-19		(9 683)
		<u>-</u>
<b>Office Equipment</b>		
Change in depreciation for 2018-19		249 819
Change in accumulated depreciation for 2018-19		(249 819)
		<u>-</u>
<b>Other Plant and equipment</b>		
Change in depreciation for 2018-19		185
Change in accumulated depreciation for 2018-19		(185)
		<u>-</u>
<b>Plant and equipment</b>		
Change in depreciation for 2018-19		12 884
Change in accumulated depreciation for 2018-19		(12 884)
		<u>-</u>

The effect of the change in estimate led to an decrease in depreciation of furniture and fittings of R 9 683.28, decrease in depreciation of Office equipment of R 249 819.20, decrease in depreciation of Other Plant and equipment of R 185.05 and a decrease in depreciation of Plant and Equipment of R 12 884.39 for the future years.

**47. 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%.

**47.1 Statement of Financial Position**

**Assets**

**Current Assets**

**Inventories**

The provision for inventories was based on past trends which was higher than expected.

**Other receivables from exchange transactions**

The material difference between the actual and the budget is due to the fact that the municipality anticipated interest rates to increase which would have increase the accrued interest amount disclosed.

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**47. Actual operating expenditure versus budgeted operating expenditure (continued)**

**Receivables from non- exchange transactions**

Variance is less than 10%, no reason required.

**Vat receivable**

Variance is less than 10%, no reason required.

**Employee benefit asset**

Variance is less than 10%, no reason required

**Cash and Cash Equivalents**

Variance is less than 10%, no reason required.

**Trade receivables from exchange transactions**

Due to the high percentage of under collection in the past the municipality decreased the budget to ensure that the revenue is not overstated in the budget.

**Cash and Cash Equivalents**

Variance is less than 10%, no reason required.

**Non-Current Assets**

**Property, plant and equipment**

Variance is less than 10%, no reason required.

**Intangible assets**

The variance is due to savings as a result of input VAT as well as the prior period error, were intangibles assets should have been disposed.

**Employee benefit asset**

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**

**Payables from exchange transactions**

The variance is due to the expectation that the Department of Transport and Public Works transfers huge amount of funds in April as an advance for claims submitted.

**Employee benefit obligation**

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.

**Unspent conditional grants and receipts**

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**47. Actual operating expenditure versus budgeted operating expenditure (continued)**

The outcome of the roll-over request for grant funding was only finalised in the latter part of the year and therefore it was impossible to timeously finalised the relevant Supply Chain Management processes by 30 June 2019. Non-responsive bids also added to the underspending as well as grants received in last quarter of the financial year which made project implementation not possible.

**Provisions**

The variance relates to insurance claims that were finalised after the reporting date but prior to the date when the financial statements were authorised for issue. No budget appropriation has been made during the relevant budget processes.

**Non-Current Liabilities**

**Employee Benefits**

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.

**Net Assets**

**Accumulated surplus**

Less than 10%. No reason required.

**47.2 Statement of Financial Performance**

**Revenue from exchange transactions**

**Service charges**

Less than 10%. No reason required.

**Rental of facilities and equipment**

Less than 10%. No reason required.

**Agency services**

A substantial amount was allocated to recover the Employee Benefit Asset in respect of the Post Employment Medical Aid for the Roads Function. Due to the overlap in financial years, the relevant allocation was made in the fourth quarter of the financial year.

**Other income**

Less than 10%. No reason required.

**Interest received - Investment**

Variance is less than 10%, no reason required.

**Revenue from non-exchange transactions**

**Transfer revenue**

**Government grants and subsidies**



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**47. Actual operating expenditure versus budgeted operating expenditure (continued)**

Variance is less than 10%, no reason required.

**Expenditure**

**Employee related costs**

The calculation of the employee benefit asset amount had an effect on the employee related cost as the amount credited against the service and interest cost lower than expected.

**Remuneration of councillors**

Variance is less than 10%, no reason required.

**Depreciation and amortisation**

The under expenditure on the capital budget led to the under expenditure of depreciation.

**Debt impairment**

Variance is less than 10%, no reason required.

**Lease rentals on operating lease**

Variance is less than 10%, no reason required.

**Bad debt written off**

The municipality did not write off any debt in the 2018/2019 financial year. The contract of the debt collection agency ended in June 2019 and the municipality would first like to engage with the new service provider before a recommendation to write off debt is made to council.

**Contracted services**

Various projects relating to integrated public transport, sidewalks and embayments, building maintenance, asset maturity assessment and other reflect a saving at year end. The municipality were also allocated grants late in the 2018/2019 financial year from Provincial Government which could not be spend before year end. VAT claimed on contracted services further added to this underspending.

**Transfers and subsidies**

Variance is less than 10%, no reason required.

**General expenses**

The underspending is due to various information technology communication operational expenditure, human resource management programs. A relatively large saving occurred with municipal accounts due to the fact that an increase in electricity and water was lower than expected.

**Loss on disposal of assets and liabilities**

Variance is less than 10%, no reason required.

**Inventories losses / write downs**

Variance is less than 10%, no reason required.

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**Notes to the Financial Statements**

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**47. Actual operating expenditure versus budgeted operating expenditure (continued)**

**47.3 Cash Flow Statement**

**Sale of goods and services**

Refer to reason provided above for the Statement of financial performance.

**Grants**

Variance is less than 10%, no reason required.

**Interest Income**

The provision for accrued interest was taken into account with the budget process. The expected interest rate was higher than expected.

**Employee cost**

Variance is less than 10%, no reason required.

**Suppliers**

Variance is less than 10%, no reason required.

**Other payments: remuneration to councillors**

Variance is less than 10%, no reason required.

**Purchase of property, plant and equipment**

The variance exist due to the fact that items was acquired much less than budgeted for, The fact that the municipality does not have a large capital budget these items had a huge influence on the percentage expenditure

**Proceeds from sale of property, plant and equipment**

At the time that the final budget is approved it is not known which assets will be disposed at year end.

**Purchase of other intangible assets**

The municipality did not budget for the acquisition of intangible assets. The assets classified as intangible assets was budgeted for under property, plant and equipment.

**48. Capital commitments**

Approved and contracted for  
Property, plant and equipment (Buildings)

461 681

**Total capital commitments**

461 681

The municipality did not have any capital commitments at 30 June 2018. The capital commitments for the 2017/2018 financial year relates to the upgrading of personnel quarters (T2017/046), at the Stellenbosch Fire Station.



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**48. Events after reporting date**

Events were identified subsequent to the reporting date but prior to the date when the financial statements were authorised for issue that had an adjusting effect on other receivables from exchange transactions and provisions. The adjustment amounts were included in other receivables from exchange transactions (note 4) and provisions (note 41). The additional amount included in the note to other receivables from exchange transactions relating to the adjusting event amounted to R213 413 (2017: R5 825). The additional amount included in the note to provisions relating to the adjusting event amounted to R (2017: R21 620).

On the 28 August 2019 the Council approved (Item C.15.1) the draft Settlement Agreement in terms of which Mr. C.V. Schroeder will resign on 31 August 2019 and an all-inclusive settlement amount of R829,118.62 (eight hundred and twenty-nine thousand, one hundred and eighteen rand and sixty-two cent), that consists of six (6) months' salary be paid to Mr. Schroeder, subject to the tax directive and less all statutory deductions.

D12 Cape Winelands DM - Reconciliation of Table A1 Budget Summary

Description	2016/17							2017/18				
	Original Budget	Budget Adjustments (i.e. MP&A cells)	Final adjustments budget	Actual Outcomes	Unamortised expenditure	Variances	Actual Outcomes as % of Final Budget	Reported unamortised expenditure	Expenditure authorized in terms of section 61 of MP&A	Amounts to be recovered	Revised Actual Outcomes	
	1	2	3	4	5	6	7	8	9	10	11	12
<b>Revenue</b>												
<b>Revenue Performance</b>												
Property rates	--	--	--	--		--						
Service charges	--	--	--	--		--						
Interest revenue	51 885	5 288	57 173	54 294		(2 879)	94,9%	54 294				
Transfer received - operational	351 367	2 828	354 195	351 899		(2 296)	99,3%	351 899				
Other revenue	225 478	21 288	246 766	232 335		(14 431)	94,2%	232 335				
<b>Total Revenue (including capital transfers and contributions)</b>	<b>608 730</b>	<b>27 394</b>	<b>636 124</b>	<b>638 528</b>		<b>(7 602)</b>	<b>99,8%</b>	<b>638 528</b>				
Employee costs	248 785	1 000	249 785	279 888		(30 103)	112,0%	279 888				
Remuneration of councillors	11 796	712	12 508	13 171		(663)	105,3%	13 171				
Debt repayment	6 571	(4 824)	1 747	96		(1 651)	5,5%	96				
Depreciation & asset impairment	18 089	3 695	21 784	11 789		(10 000)	53,7%	11 789				
Finance charges	6	6	12	--		(6)	0,0%	--				
Grants and bulk purchase	17 888	13 279	31 167	29 388		(1 779)	94,3%	29 388				
Transfer and grants	6 271	2 985	9 256	11 434		(2 178)	123,8%	11 434				
Other expenditure	127 778	14 214	142 992	208 929		(65 937)	145,5%	208 929				
<b>Total Expenditure</b>	<b>608 977</b>	<b>26 927</b>	<b>635 904</b>	<b>709 734</b>		<b>(74 830)</b>	<b>111,6%</b>	<b>709 734</b>				
Transfer received - capital	2 548	(468)	2 080	88 276		86 196	4152,2%	88 276				
Contributions received - capital & restricted assets	--	--	--	--		--						
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>3 505</b>	<b>(603)</b>	<b>2 902</b>	<b>69 792</b>		<b>66 890</b>	<b>1912,9%</b>	<b>69 792</b>				
Share of surplus/(deficit) of accounts	--	--	--	--		--						
<b>Surplus/(Deficit) for the year</b>	<b>3 505</b>	<b>(603)</b>	<b>2 902</b>	<b>69 792</b>		<b>66 890</b>	<b>1912,9%</b>	<b>69 792</b>				
<b>Capital expenditure &amp; assets acquired</b>												
Capital expenditure												
Transfer received - capital	2 548	(603)	1 945	1 182		(863)	60,8%	1 182				
Public contributions & donations	--	--	--	--		--						
Revenue	--	--	--	--		--						
Internally generated funds	28 233	(4 283)	23 950	12 888		(11 062)	53,8%	12 888				
<b>Total sources of capital funds</b>	<b>31 081</b>	<b>(4 886)</b>	<b>26 195</b>	<b>14 070</b>		<b>(12 125)</b>	<b>53,8%</b>	<b>14 070</b>				
<b>Cash flows</b>												
Net cash from/(used) operating	39 889	11 261	51 150	64 385		25 235	124,2%	64 385				
Net cash from/(used) investing	(21 481)	14 088	(7 393)	(14 046)		(6 653)	189,6%	14 046				
Net cash from/(used) financing	--	--	--	--		--						
<b>Change in cash balances at the year end</b>	<b>18 408</b>	<b>25 349</b>	<b>43 757</b>	<b>50 339</b>		<b>6 581</b>	<b>272,9%</b>	<b>50 339</b>				



DCI Core Wholesale DSI - Reconciliation of Table A8 Budgeted Financial Performance (Revenue and Expenditure by standard classification)

Description	2017/18								2017/19			
	Original Budget	Budget Adjustments (As of 30/06/18)	Final Adjustments Budget	Actual Outcomes	Unrecovered expenditure	Variance of Actual Outcomes Budget Adjustments Budget	Actual Outcomes as % of Final Budget	Actual Outcomes as % of Original Budget	Revised expenditure	Expenditure reduced in line of DSI of 10%	Balance to be recovered	Revised Budget Outcome
Revenue	1	2	3	4	5	6	7	8	9	10	11	12
<b>Revenue - Standard</b>	<b>200 000</b>	<b>10 000</b>	<b>210 000</b>	<b>200 000</b>		<b>(10 000)</b>	<b>95%</b>	<b>95%</b>				
Revenue and administration	200 000	10 000	210 000	200 000		(10 000)	95%	95%				
Electricity and water	20 000	17 000	37 000	39 000		2 000	105%	105%				
Budget and treasury office	220 000	0	220 000	200 000		(20 000)	91%	91%				
Deposits services	0	0	0	0		0	0%	0%				
Community and public safety	0	1 000	1 000	1 000		1 000	100%	100%				
Community and public safety	0	0	0	0		0	0%	0%				
Food and nutrition	0	0	0	0		0	0%	0%				
Public safety	0	0	0	0		0	0%	0%				
Health	0	0	0	0		0	0%	0%				
Revenue and environmental services	0	0	0	0		0	0%	0%				
Planning and development	0	0	0	0		0	0%	0%				
Food transport	0	0	0	0		0	0%	0%				
Environmental protection	0	0	0	0		0	0%	0%				
Trading services	0	0	0	0		0	0%	0%				
Waste	0	0	0	0		0	0%	0%				
Water	0	0	0	0		0	0%	0%				
Waste water management	0	0	0	0		0	0%	0%				
Waste management	0	0	0	0		0	0%	0%				
Other	0	0	0	0		0	0%	0%				
<b>Total Revenue - Standard</b>	<b>200 000</b>	<b>10 000</b>	<b>210 000</b>	<b>200 000</b>		<b>(10 000)</b>	<b>95%</b>	<b>95%</b>				
<b>Revenue - Standard</b>	<b>200 000</b>	<b>10 000</b>	<b>210 000</b>	<b>200 000</b>		<b>(10 000)</b>	<b>95%</b>	<b>95%</b>				
<b>Revenue - Standard</b>	<b>200 000</b>	<b>10 000</b>	<b>210 000</b>	<b>200 000</b>		<b>(10 000)</b>	<b>95%</b>	<b>95%</b>				
<b>Revenue - Standard</b>	<b>200 000</b>	<b>10 000</b>	<b>210 000</b>	<b>200 000</b>		<b>(10 000)</b>	<b>95%</b>	<b>95%</b>				

DCI Cape Winelands DM - Reconciliation of Table A3 Budgeted Financial Performance (Revenue and expenditure by municipal vote)

Vote Description	2017/18						2017/19					
	Original Budget	Budget Adjustments (PLA, MPFA) (R)	Final adjustments budget	Actual Outcomes	Unencumbered expenditure	Variance of Actual Outcomes against Adjustments Budget	Actual Outcomes as % of Final Budget	Actual Outcomes as % of Original Budget	Reported unencumbered expenditure	Expenditure unencumbered in terms of section 32 of MPFA	Balance to be recovered	Revised Audited Outcomes
A	1	2	3	4	5	6	7	8	9	10	11	12
<b>Revenue by Vote</b>												
Vote 1 - REGIONAL DEVELOPMENT AND PLAN	4 700	(1 700)	3 000	41		(3 959)	0,9%	0,9%				
Vote 2 - ADMIN AND DEV	480	1 000	1 480	711		(231)	47,3%	52,3%				
Vote 3 - ENGINEERING	8 070	1 382	9 452	8 791		(661)	92,9%	93,6%				
Vote 4 - RURAL AND SOCIAL	70	(70)	0	70		0	100,0%	100,0%				
Vote 5 - OFFICE OF THE LM	-	200	200	-		200	-	-				
Vote 6 - FINANCIAL SERVICES	224 700	0	224 700	224 091		(609)	99,7%	99,7%				
Vote 7 - CORPORATE SERVICES	65 000	17 400	82 400	78 000		(4 400)	94,6%	118,6%				
Vote 8 - ROPPO AGENCY	1 000 000	11 000	1 011 000	1 000 000		(11 000)	98,9%	98,9%				
Vote 9 - TRAFFIC	-	-	-	-		-	-	-				
Vote 10 - HEALTH AGENCY	-	-	-	-		-	-	-				
Vote 11 - CORPORATE SERVICES	-	-	-	-		-	-	-				
Example 12 - Vote12	-	-	-	-		-	-	-				
Example 13 - Vote13	-	-	-	-		-	-	-				
Example 14 - Vote14	-	-	-	-		-	-	-				
Example 15 - Vote15	-	-	-	-		-	-	-				
<b>Total Revenue by Vote</b>	<b>427 450</b>	<b>27 000</b>	<b>454 450</b>	<b>442 870</b>		<b>(11 580)</b>	<b>97,4%</b>	<b>97,4%</b>				
<b>Expenditure by Vote in the appropriated</b>												
Vote 1 - REGIONAL DEVELOPMENT AND PLAN	21 400	(1 000)	20 400	19 697		(703)	96,5%	90,7%				
Vote 2 - ADMIN AND DEV	60 200	8 200	68 400	69 000		600	100,9%	113,9%				
Vote 3 - ENGINEERING	45 000	(9 000)	36 000	35 500		(500)	98,6%	77,8%				
Vote 4 - RURAL AND SOCIAL	10 000	0	10 000	12 701		2 701	127,0%	127,0%				
Vote 5 - OFFICE OF THE LM	10 000	2 000	12 000	10 000		(2 000)	83,3%	83,3%				
Vote 6 - FINANCIAL SERVICES	224 700	0	224 700	224 091		(609)	99,7%	99,7%				
Vote 7 - CORPORATE SERVICES	65 000	17 400	82 400	78 000		(4 400)	94,6%	118,6%				
Vote 8 - ROPPO AGENCY	1 000 000	11 000	1 011 000	1 000 000		(11 000)	98,9%	98,9%				
Vote 9 - TRAFFIC	-	-	-	-		-	-	-				
Vote 10 - HEALTH AGENCY	-	-	-	-		-	-	-				
Vote 11 - CORPORATE SERVICES	0	(100)	(100)	0		(100)	-	-				
Example 12 - Vote12	-	-	-	-		-	-	-				
Example 13 - Vote13	-	-	-	-		-	-	-				
Example 14 - Vote14	-	-	-	-		-	-	-				
Example 15 - Vote15	-	-	-	-		-	-	-				
<b>Total Expenditure by Vote</b>	<b>407 697</b>	<b>20 900</b>	<b>428 597</b>	<b>417 692</b>		<b>(10 905)</b>	<b>97,2%</b>	<b>97,2%</b>				
<b>Revised Expenditure for the year</b>	<b>2 200</b>	<b>(100)</b>	<b>2 100</b>	<b>20 400</b>		<b>18 300</b>	<b>925,2%</b>	<b>925,2%</b>				

DCZ Cape Winelands DM - Reconciliation of Table A4 Budgeted Financial Performance (Revenue and expenditure)

Description	2019/20						2012/16					
	Original Budget	Budget Adjustments (i.e. MPA/1.0)	Final adjusted budget	Actual Outcome	Quantified expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure controlled by means of section 39 of MFSA	Balance to be recovered	Unaudited Actual Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
<b>Revenue for Revenue</b>												
Property rates	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity income	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water income	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse removal	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse storage	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-
Financial facilities and equipment	54	117	200	205	-	3	100%	100%	-	-	-	-
Interest earned - external investments	54 700	9 205	58 205	54 235	-	(50)	93%	104%	-	-	-	-
Interest earned - outstanding by citizens	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-
Fees	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	200	114	304	319	-	21	107%	100%	-	-	-	-
Agency services	120 700	7 620	128 320	129 920	-	(100)	101%	104%	-	-	-	-
Transfer completed - operational	200 000	2 120	202 120	201 000	-	(1 120)	99%	100%	-	-	-	-
Other revenue	1 000	(3 420)	(2 420)	2 400	-	200	100%	240%	-	-	-	-
Gain on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital grants and contributions)</b>	<b>407 400</b>	<b>27 400</b>	<b>434 800</b>	<b>432 800</b>		<b>(2 000)</b>	<b>99%</b>	<b>91%</b>				
<b>Expenditure for Revenue</b>												
Employee related costs	242 700	1 000	243 700	179 300	-	(64 400)	73%	73%	-	-	-	-
Renewal of assets	4 500	700	5 200	12 170	-	6 970	236%	248%	-	-	-	-
Self-employment	2 000	(1 000)	1 000	20	-	(1 980)	1%	1%	-	-	-	-
Depreciation & asset impairment	12 000	3 000	15 000	11 100	-	(3 900)	74%	91%	-	-	-	-
Finance charges	0	0	0	0	-	0	0%	0%	-	-	-	-
Self-employment	0	0	0	0	-	0	0%	0%	-	-	-	-
Other materials	17 000	17 000	34 000	30 200	-	(3 800)	89%	89%	-	-	-	-
Contractual services	67 200	0 120	67 320	45 400	-	(21 920)	67%	67%	-	-	-	-
Transfer of goods	0 000	1 000	1 000	14 400	-	13 400	1 440%	1 440%	-	-	-	-
Other expenditure	79 000	10 000	89 000	67 000	-	(22 000)	75%	75%	-	-	-	-
Loss on disposal of PPE	20	100	120	200	-	180	100%	100%	-	-	-	-
<b>Total Expenditure</b>	<b>400 000</b>	<b>29 000</b>	<b>429 000</b>	<b>347 700</b>		<b>(81 300)</b>	<b>81%</b>	<b>76%</b>				
<b>Capital Grants</b>												
Transfer completed - capital	2 000	(200)	1 800	20 000	-	18 200	1 111%	1 111%	-	-	-	-
Contributions received - capital	-	-	-	-	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital Grants (including other capital grants &amp; contributions)</b>	<b>2 000</b>	<b>(200)</b>	<b>1 800</b>	<b>20 000</b>		<b>18 200</b>	<b>1 111%</b>	<b>1 111%</b>				
<b>Transfer</b>												
Transfer completed - other transfer	1 000	(400)	600	20 000	-	19 400	1 940%	1 940%	-	-	-	-
Transfer to other	-	-	-	-	-	-	-	-	-	-	-	-
<b>Transfer (including other transfer)</b>	<b>1 000</b>	<b>(400)</b>	<b>600</b>	<b>20 000</b>		<b>19 400</b>	<b>1 940%</b>	<b>1 940%</b>				
<b>Capital Grants (including other capital grants &amp; contributions)</b>	<b>3 000</b>	<b>(600)</b>	<b>2 400</b>	<b>40 000</b>		<b>37 600</b>	<b>1 253%</b>	<b>1 253%</b>				
<b>Share of capital (debit) of assets</b>												
Share of capital (debit) of assets	1 000	0	1 000	20 000	-	19 000	1 900%	1 900%	-	-	-	-
<b>Capital Grants (including other capital grants &amp; contributions)</b>	<b>2 000</b>	<b>0</b>	<b>2 000</b>	<b>40 000</b>		<b>38 000</b>	<b>1 900%</b>	<b>1 900%</b>				



DC2 Cape Winelands DE - Reconciliation of Table A7 Budgeted Cash Flow

Description	2018/19							2017/18
	Original Budget	Budget Adjustments (i.e. 20)	Final approved budget	Actual Outcomes	Variance	Actual Outcomes as % of Final Budget	Actual Outcomes as % of Original Budget	Revised Actual Outcomes
R Rowcode	1	2	3	4	5	6	7	8
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>								
Receipts								
Refugees and other	122 470	0 000	122 470	111 872	(17 598)	90,6%	90,6%	
Government - spending	260 000	1 420	261 420	261 000	(2 820)	99,8%	99,8%	
Government - capital	-	-	-	-	-	-	-	
Interest	61 000	(820)	60 180	65 000	2 820	108,0%	104,1%	
Miscellaneous	-	-	-	-	-	-	-	
Payments								
Supplies and employees	(200 107)	4 707	(195 400)	(201 000)	31 904	91,2%	90,9%	
Finance charges	(0)	A	-	-	-	-	-	
Transfers and Grants	(2 093)	-	(2 093)	(11 400)	(2 187)	56,2%	120,2%	
<b>NET CASH FROM/USED OPERATING ACTIVITIES</b>	<b>20 269</b>	<b>11 207</b>	<b>31 476</b>	<b>64 962</b>	<b>12 047</b>	<b>206,2%</b>	<b>101,3%</b>	<b>-</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>								
Receipts								
Proceeds on disposal of PPE	-	-	-	200	100	50,0%	60,0%	
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	
Payments								
Capital assets	(61 403)	2 000	(59 403)	(64 200)	2 800	95,7%	45,0%	
<b>NET CASH FROM/USED INVESTING ACTIVITIES</b>	<b>(61 403)</b>	<b>2 000</b>	<b>(59 403)</b>	<b>(64 000)</b>	<b>2 704</b>	<b>95,9%</b>	<b>44,6%</b>	<b>-</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>								
Receipts								
Short term loans	-	-	-	-	-	-	-	
Borrowing long term/retaining	-	-	-	-	-	-	-	
Increase (decrease) in concessional deposits	-	-	-	-	-	-	-	
Payments								
Repayment of borrowing	-	-	-	-	-	-	-	
<b>NET CASH FROM/USED FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE (DECREASE) IN CASH HELD</b>	<b>(41 134)</b>	<b>23 407</b>	<b>(37 927)</b>	<b>40 962</b>	<b>12 047</b>	<b>102,9%</b>	<b>101,1%</b>	<b>-</b>
Cash/short term deposits at the year begin:	500 231	-	500 231	459 269	40 962	91,8%	91,8%	
Cash/short term deposits at the year end:	459 097	23 407	482 504	500 231	19 724	102,0%	101,1%	

**Annexure B**

**Disclosure of benefits in terms of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), schedule 1.5(2) and schedule 2.5(1), in respect of business associations**

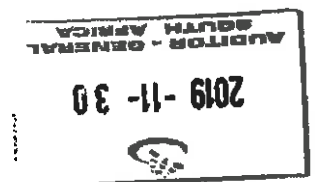
In terms of Schedule 1.5(2) A councillor who, or whose spouse, partner, business associate or close family member, acquired or stands to acquire any direct benefits from a contract concluded with the municipality, must disclose full particulars of the benefit which the councillor is aware at the first meeting of the municipal council at which it is possible for the councillor to make 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	2019	2018
WR Meiring (Groot Zand Boerdery)	Business Associate	HF Prins (Municipal Manager)	River Five CC	4 500	-
				4 500	-

The Municipal Manager, Mr HF Prins, indicated in his quarterly and annual declaration of interest that he holds 25% share in River Five CC. Mr Prins has a business associate in River Five CC who is a beneficiary of the Cape Winelands District Municipality's Project: Renewable Infrastructure – Rural Areas in terms of the Policy for Electrification of Rural Homes and the Supply of Solar Water Heating Systems. Cognisance must be taken of the fact that the Municipal Manager does not have a direct relationship with the beneficiary of the Municipality.

Necessary internal controls are implemented to consider the possibility, and to assess the likelihood, that a relationship between the 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**





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*Cape Winelands  
District Municipality*

*Audit Committee:*

**ANNUAL REPORT**

**For the financial year  
ended 30 June 2019**



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## REPORT BY THE CHAIRPERSON OF THE CWDM AUDIT AND PERFORMANCE COMMITTEE (THE COMMITTEE) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019.

### 1. INTRODUCTION

The Audit and Performance Committee consisted of four independent members who are all appropriately qualified, who are financially literate and who are acquainted with the Risk Management and Performance Management disciplines. The Committee meets at least four times per annum as per The Committee terms of reference.

The committee has held 7 (seven) meetings during the financial year under review.

Dates of Audit and Performance Committee meetings:

- 13 August 2018
- 28 August 2018 Special for AFS
- 6 September 2018 Special with AG
- 9 November 2018
- 26 November 2018 Special with AG
- 28 January 2019
- 6 May 2019

The Audit and Performance Committee consists of:

<u>Name of member</u>	<u>Meetings attended and appointment date</u>
Ms R. Gani	7 (Re-appointed as chair 1 February 2018)
Advocate M Mdludlu	7 (Re-appointed from 1 February 2018)
Ms M Bond-Smith	7 (Re-appointed from 1 June 2019)
Mr M Grobler	7 (Appointed from 1 February 2018)

### 2. BACKGROUND

The Committee is a statutory body whose duties and responsibilities are delegated to it by Council. These duties and responsibilities are articulated in The Committee Charter which was approved by Council in compliance with the Municipal Finance Management Act (MFMA).

The overall objective of the committee is to assist the Council in discharging its duties relating to, amongst others, the safeguarding of assets, the operation of adequate internal controls and systems, ensuring that adequate financial accounting controls and processes exist, the annual financial statements, as well as overseeing that statutory and regulatory requirements are met on an on-going basis.

The Audit Committee also served 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. The Cape Winelands District Municipality's risk management function, performance management function and ICT function were also represented at all committee meetings.

Executive Directors attended all meetings. National and Provincial Treasury and the Auditor-General have a standing invitation to all committee meetings.

The Audit Committee wants to congratulate the Cape Winelands District Municipality on their clean audit.

### 3. DUTIES PERFORMED

During the financial year ended 30 June 2019, the Audit and Performance Committee convened seven times to discharge its statutory responsibilities. As an overview only, and not to be regarded as an exhaustive list, the committee carried out the following duties:

#### 3.1 ANNUAL FINANCIAL STATEMENTS

3.1.1 The draft annual financial statements for the year ended 30 June 2019 were reviewed and scrutinized in detail and the Audit and Performance Committee gave input on 29 August 2019.

#### 3.2 ANNUAL REPORT

In addition to the annual financial statements, the draft Annual Report for the year ended 30 June 2019 were sent to the Audit and Performance Committee for review in September 2019 and to submit any comment.

The draft annual performance management report was submitted to the Audit and Performance Committee for review on 29 August 2019

The Annual Report for 2017/2018 demonstrates the municipality's ability to report on all aspects of performance for the aforementioned periods.

#### 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 Committee and administratively to the Municipal Manager.

##### **The Committee:**

- Reviewed and approved the internal audit annual risk based audit plan for the 2019/2020 financial year and verified that it addressed the full spectrum of risk that was identified during the risk assessment that was completed in May 2019;
- Reviewed and approved the combined assurance plan;
- 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 organization to discharge its duties which was found to be satisfactory;
- Reviewed and considered the quarterly reports from the Head of Internal Audit in respect of the progress made on the annual audit plan and of findings from internal control reviews;
- Reviewed issues raised by internal audit and the adequacy of corrective action taken by management in response thereto;



- Reviewed and approved twelve audit reports;
  - Supply Chain Management
  - Governance review
  - DORA review
  - MFMA Compliance review
  - Asset Management
  - LED and Social Development process
  - OHASA review
  - Leave
  - Payroll
  - Overtime
  - ICT
  - OHASA Follow-Up review
  - Annual Stock take for Auditor-General
  - Risk Management
- The planned audits for 2018/2019 were completed in a satisfactory manner.
- In this regard the Audit and Performance Committee wishes to express its appreciation to the internal audit unit.

Internal Audit had no vacant posts during the 2018/2019 financial year.

Two interns were appointed in the Internal Audit section from 1 March 2018 until 28 February 2020. One intern resigned and her last working day was on 28 February 2019.

### 3.4 PERFORMANCE MANAGEMENT

The Audit and Performance Committee has reviewed the quarterly SDBIP reports for 2018/2019 which were submitted to the Committee by the Finance Department.

The Audit and Performance Committee is satisfied that the municipality was 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, Service Delivery and Budget Implementation Plan and performance agreements.
- Performance indicators and targets which relate to strategic objectives are specific, measurable, achievable and relevant.
- The quarterly performance management audits were done by the Cape Winelands District Municipality's internal audit function and submitted to the Committee.
- In total, four quarterly Performance Management System reports were submitted to the Audit and Performance Committee for approval.
- Reviewed issues raised by internal audit and the adequacy of corrective action taken by management in response thereto.



- 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 have 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 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 also served on the Fraud and Risk Management Committee as an independent member.

#### **The committee:**

- Reviewed and ensured that the Internal Audit Plan is aligned to the risk profile of the CWDM;
- Reviewed the Fraud And Risk Management Committee's quarterly reports;
- Reviewed the Fraud and Risk Committee's charter that has been approved by Council;
- The committee fulfilled an oversight role regarding financial reporting risks, internal financial controls, fraud risk as it relates to financial reporting and information technology risks as it relates to financial reporting;
- Reviewed the amended fraud policy prior to submission for approval to Council;
- Reviewed the 2019/2020 financial year draft risk register;

The Audit and Performance Committee is satisfied with the effectiveness of the risk management processes and systems through the Fraud and Risk Management Committee that was established and is functional. Identified risks were mitigated to an acceptable level. Monthly monitoring reports are submitted to Management.

### 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.

From the various reports of the internal audit unit, the reports 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 controls or any deviations there from.

### 3.7 EFFECTIVENESS OF GOVERNANCE

The Audit and Performance Committee reviewed the performance report of the municipality and the Audit and Performance Committee is satisfied with effectiveness of governance on the basis that performance of Senior Managers was assessed during the year.



### 3.8 IT GOVERNANCE

The Audit and Performance Committee is responsible as an independent advisory body to advise on Information and 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 on the progress that has been 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 regularized and developed in order to strengthen and enhance the combined assurance model of the municipality.

The combined assurance framework was approved by the Audit and Performance Committee for the 2019/2020 financial year.

## 4. AUDITOR-GENERAL

The Audit and Performance Committee has met with the Auditor-General to discuss the audit plan, strategy and presentation of their draft Management and audit reports for the 2018/2019 financial year.

The Audit and Performance Committee also provide oversight over the Auditor-Generals 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 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.

The Audit and Performance Committee hereby congratulates the Council on their 6<sup>th</sup> clean audit.



Chairperson: Audit and Performance Committee

25 November 2019







**CHAPTER 9: OVERSIGHT REPORT AND COUNCIL APPROVAL**





**CAPE WINELANDS DISTRICT**  
MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

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# **MPAC/OVERSIGHT**

## **REPORT**

**2018/19**

**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 2018/2019 financial year.

## **2. BACKGROUND**

The 2018/2019 Draft Annual Report was tabled in Council on 30 January 2020, reporting on the Cape Winelands District Municipality's performance for the period from 01 July 2018 until 30 June 2019. The aforementioned report was set out for public comment from 30 January 2020.

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 2020.

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 2020.

The process for the finalisation and approval of the 2018/2019 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 2019
Receipt of final audit report from Auditor-General	MFMA Section 126(3)(b)	30 November 2019
Tabling of Draft Annual Report in Council by Executive Mayor	MFMA Section 127(2)	30 January 2020
Allowing for comment (written submission) by the community and relevant state organs	MFMA Section 127(5)(a) & (b)	28 February 2020
Allowing verbal comment and oversight on annual report by the Oversight Committee	MFMA Section 130 (5)(a) & (b)	28 February 2020
Corrective actions to AG's opinion formulated and tabled in Council	MFMA Section 121(3)(g)	26 March 2020
Consideration and adoption of Annual Report and Oversight Report by Council	MFMA Section 129(1)	26 March 2020
Submission of Annual Report and Oversight Report to AG, Provincial Treasury and MEC: Local Government	MFMA Section 129(2)(b)	April 2020
Communication of final Annual Report / Oversight Report (Website, hard copies and other mediums)	MFMA Section 129(3)	April 2020

### 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 October 2016 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.	Crombie, A	Councillor	DA
2.	Daniels, P (Secundi)	Councillor	DA
3.	Du Toit, R	Councillor	DA
4.	Fredericks, G.J	Councillor	DA
5.	Hess, P (Secundi)	Councillor	DA
6.	Kalipa, X	Councillor	DA
7.	Klass, M.T	Councillor	EFF
8.	Magqazana, SS	Councillor	DA
9.	Mouton, J.S (Secundi)	Councillor	ANC
10.	Ntshingila, B.B	Councillor (Chairperson)	ANC
11.	Qankajiso, E (Secundi)	Councillor	DA
12.	Rens, S.C (Secundi)	Councillor	ANC
13.	Qoba, L.N	Councillor	ANC
14.	Snyders,D.R.A (Secundi)	Councillor	EFF
15.	Steyn,C (Secundi)	Councillor	DA
16.	Tetana, N (Secundi)	Councillor	ANC
17.	Van Rooyen,J.J	Councillor	ANC
18.	Vrolick, W (Secundi)	Councillor	DA
19.	Wilskut,C.F	Councillor	BO

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 2018/2019 Draft Annual Report on 30 January 2020, in line with Section 127(5) of the MFMA, Cape Winelands District Municipality (CWDM) allowed for public comments regarding the 2018/2019 Draft Annual Report from 30 January 2020 until 28 February 2020.



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 30 January 2020 where the Annual Report was tabled. The Accounting Officer (Municipal Manager) attended the MPAC meeting on 17 March 2020 where the Oversight Report was discussed and recommended 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. Refer to **Annexures A-D**.

## **6. LEGAL AND CONSTITUTIONAL IMPLICATIONS**

The 2018/2019 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 Circular 32 issued by National Treasury.

## **7. COMMUNICATIONS IMPLICATIONS**

The full text of the 2018/2019 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 Cape Winelands District Municipality's website.

## **8. RECOMMENDATION: That -**

- (a) Council, having considered the 2018/2019 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 2018/2019 Annual Report of Cape Winelands District Municipality (CWDM) be approved without reservations, in terms of section 129 of the MFMA.

- (e) The 2018/2019 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.

## 9. CONCLUSION

The Committee unanimously accepts that the 2018/2019 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 2018/19 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 2018/19 Annual Report accurately reflects the performance of the Municipality for the year under review and recommend that the Council approve the 2018/19 Annual Report without reservations.

  
.....  
**COUNCILLOR BB NTSHINGILA**  
CHAIRPERSON

17 March 2020



# **ANNEXURE 'A'**

## **AUDIT ACTION PLAN**



City of Municipal District Local Supply Audit Action Plan 2020/21

Current year Previous year

Category	Findings	Compliance	Responsible	Start Date	End Date	Notes	Page Ref
<b>Supply Chain Management</b>							
Non-compliance with Legislation	It is recommended that management review the Supply Chain Management Policy regularly for non-compliance with Municipal Supply Chain Management Regulations.	No	R. Leo	31-May-20	31-May-20	The Supply Chain Management policy will be reviewed as part of the 2020/21 budget process.	Pages 38
<b>Internal Audit</b>							
Non-compliance with Legislation	Compliance: Internal audit: No independent External Quality Assessment performed on internal audit function	No	R. Zuelke	2020/2020	2020/2020	Management take note of the recommendations in the external audit report. An Independent Program Review (IPR) is required. Independent validation will be done and that the funds will be budget for in the 2020/2021 financial year.	Pages 43-48
<b>ISA Findings</b>							
Inadequate Change Management Process	The Deputy Director: ICT should review and update the current Change Management Process. The updated Change Management Process document should indicate how often the document should be reviewed and who the responsible parties will be.	No	A. Galbraith	31-May-20	31-May-20	The policy was updated to include the Auditors recommendation and has been signed off by the Executive Director-Technical services	Pages 41-42

Was reported for the first time in the previous audit





Cape Winelands District Municipality Audit Action Plan 2018/2019

Classification	Entity/Unit of Account	Financial Statement	Responsible Officer	Priority	Due Date	COMAF	Page Ref
<b>Accumulated Surplus</b>							
Misstatement in financial statements	Note 16: Incorrect classification of capital expenditure	It is recommended that management perform a thorough review of the financial statements and adjust the annual financial statements for the misstatement.	MJ Leach	Yes	L	01-Nov-19	ComAF 10 Pages 48 - 49
<b>Other Receivables</b>							
Misstatement in financial statements	Note 4: Other receivables aging	It is recommended that management review the ageing schedule and ensure that the ageing reported in the financial statements is consistent with the narrative thereto. It is further recommended that management update the annual financial statements for the ageing to be consistent with the narrative.	MJ Leach	Yes	L	01-Nov-19	ComAF 12 Pages 60
<b>Employee Benefits</b>							
Misstatement in financial statements	GRAP 25	Management should inform council of the intention to apply the maximum contribution for the post-employment medical aid benefit and obtain approval before implementing the changes. It is further recommended that management adjust the annual financial statements for both the 2017/18 and 2018/19 financial years.	MJ Leach	Yes	H	20-Nov-19	ComAF 14 Pages 30 - 35
<b>Predefined Objectives</b>							
Internal control deficiency	Measure to improve performance	Management adhere to the disclosure requirements of the Municipal Systems Act when preparing the annual performance report to prevent non-compliance with the Act. It is further recommended that management include measures taken to improve performance of those indicators which were underachieved for the financial year in the annual performance report.	B Daries	Yes		24-Oct-19	ComAF 4 Pages 46 - 47
Internal control deficiency	In terms of paragraph 3.2 of the Framework for Managing Programme Performance Information (FMPPPI), a good performance indicator must be: *(b) Reliable: the indicator should be accurate enough for its intended use and respond to changes in the level of performance	It is recommended that management review the listing of information reported in the annual performance report for duplicate standard operating procedure. It is further recommended that management analyses the population and ensure that all schools reported were approved and amend the reported achievement in the APR accordingly.	B Daries	Yes		24-Oct-19	ComAF 6 Pages 36-37



# **ANNEXURE 'B'**

## **KEY COMMENTS: COMMUNITY AND OGRANS OF STATE**



Reference: PTR/12/21/15/4

The Municipal Manager  
Cape Winelands District Municipality  
PO Box 100  
STELLENBOSCH  
7599

For Attention: The Municipal Manager, Mr H Prins

## **PROVINCIAL TREASURY COMMENTS ON THE TABLED 2018/19 ANNUAL REPORT**

### **1. INTRODUCTION**

- a. MFMA section 121(1) states that every municipality and every municipal entity must for each financial year prepare an annual report. The council of a municipality must within nine months after the end of the financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129.
- b. MFMA sections 121(3) and (4) sets out the framework relating to the content of the annual reports for both municipalities and municipal entities.
- c. National Treasury has further introduced the new annual report template and MFMA Circular No. 63 on 26 September 2012. MFMA Circular 63 aims to provide guidance to municipalities and municipal entities on the Annual Report format and its contents.
- d. The municipal council is then obliged to consider any views of the local community; the National Treasury, the relevant provincial treasury and any provincial or national organs of state or municipalities which made submissions on the Annual Report.

### **2. LEGISLATIVE COMPLIANCE**

#### **2.1 Conformance**

The conformance assessment highlights compliance by Cape Winelands District Municipality with the MFMA and Annual report MFMA Circular 63 is as follows:

- a. The Municipality submitted the draft 2018/19 Annual Performance Report together with the AFSs to the Auditor General by 31 August 2019.
- b. The unaudited Annual report was not tabled into Council at least two months at the end of the budget year as per the MFMA Circular 63 guidelines.



- c. The Annual report was tabled to Council on **30 January 2020** which is within 7 months after the end of the financial year in accordance to MFMA section 121(1).
- d. The draft Annual report was placed on the website on **16 February 2020** which is not within the required timeframe as per section 75 of the MFMA.
- e. Adverts were placed in local newspapers inviting public to comment for 28 days after the report was tabled.

## 2.2 Format of the Annual Report as per MFMA Circular 63

- a. The Annual Report fully complies with the Annual Report Template as described by MFMA Circular 63 as it includes all the required components and appendices.
- b. A comprehensive and detailed Mayor's Foreword is included in the draft version as per Circular 63 guidelines.
- c. The Municipal Managers Foreword with relevant information is included in the draft version as per MFMA Circular 63 guidelines.
- d. The draft Annual Report provides a comprehensive overview of the demographics, population, growth, highlights and challenges faced in the municipal area during the 2018/19 financial year.

## 3. SERVICE DELIVERY INFORMATION AND PERFORMANCE

Municipal KPA	Number of targets in SDBIP	Number of targets achieved	Number of targets not achieved	Percentage of targets achieved
Creating an environment and forging partnerships that ensure social and economic development of all communities including the empowerment of the poor in the CWD	13	12	1	92.3%
Promoting sustainable infrastructure services and a transport system which fosters social and economic opportunities	11	9	2	81.9%
Providing effective and efficient financial and strategic support services to the CWD Municipality	14	11	3	78.6%
<b>Total</b>	<b>38</b>	<b>32</b>	<b>6</b>	<b>84.2%</b>

### Comments

- a. Chapter 3 provides relevant details regarding the service delivery performance of the District Municipality for the 2018/19 financial year. The District Municipality achieved 84.2 per cent (30 of 36) of its targets at the end of the financial year resulting in a decline in performance when compared to the previous year.
- b. The majority of targets not achieved are related to the 'Providing effective and efficient financial and strategic support services to the CWD Municipality' Strategic Objective. 3 of the 11 targets set for the year were not achieved. The District Municipality has provided comprehensive reasons for under-achievement and corrective measures as to how it will address these targets in the new financial year.





#### **4. GENERAL**

- a. Several local economic development initiatives were planned and implemented during the 2018/19 financial year. The Municipality is making a concerted effort to support and bolster Local Economic Development in the municipal area and within the region.
- b. The Auditor-General's Report and findings on the 2018/19 financial years as submitted by the Auditor-General is included as Chapter 6 of the draft Annual Report. The Municipality has retained its clean audit status.

#### **5. CONCLUSION AND RECOMMENDATIONS**

Cape Winelands Municipality has partially complied with legislation regarding tabling, publishing the document for comments, submission to Provincial Treasury and placement on the website within the time frames prescribed in the MFMA sections 75 and 121. The District Municipality is required to ensure that the draft Annual Report is submitted to Provincial Treasury timeously and placed on the municipal website within 5 days of tabling in accordance with section 75 of the MFMA.

Full compliance to the prescribed format of the report is achieved as the draft 2018/19 Annual Report included all the required components and appendices as detailed in MFMA circular 63.

The Governance section in Chapter 2 of the Annual Report provides a thorough overview of the political and administrative structure within the Municipality.

The performance report included in pages 34-136 indicates that the District Municipality achieved 84.2 per cent of its targets for 2018/19 (32 of 38 targets were met). This shows a decline in performance from the previous year where 94.0 per cent of targets were achieved. For the 6 targets not achieved, the District Municipality has addressed the under-performance by providing reasons and corrective actions that will be taken to meet the targets.

Cape Winelands District Municipality produced a comprehensive 2018/19 Annual Report reflecting detailed information pertaining to the Municipality's performance during the year under review.

Kind regards



**MR M BOOYSEN**

**SENIOR MANAGER: BUDGET MANAGEMENT: LOCAL GOVERNMENT**

**DATE: 27 February 2020**



## Nangamso Sigwela

---

**From:** Christelle Conradie  
**Sent:** Wednesday, 18 March 2020 11:49  
**To:** Nangamso Sigwela  
**Subject:** RE: Comments on 2018/2019 Draft Annual Report

Good day

Ceres office have not receive any comments.

**From:** Nangamso Sigwela <nangamso@capewinlands.gov.za>  
**Sent:** Tuesday, 17 March 2020 7:26 AM  
**To:** Roxanne Robinson <Roxanne@capewinlands.gov.za>; Myrtle Ruiters <Myrtler@capewinlands.gov.za>; Christelle Conradie <christelle@capewinlands.gov.za>; Elrina Marais <elrina@capewinlands.gov.za>  
**Subject:** Comments on 2018/2019 Draft Annual Report  
**Importance:** High

Dear Colleagues

I hope this finds you well.

Please confirm whether you have received any comments from the public in respect of the 2018/2019 draft annual report. If you have, please do forward those comments to me.

Kind Regards  
Nangamso

**Nangamso Sigwela**  
Deputy Director:Performance & Risk Management  
Cape Winelands District Municipality



021 888 5155



[nangamso@capewinlands.gov.za](mailto:nangamso@capewinlands.gov.za)

[www.capewinlands.gov.za](http://www.capewinlands.gov.za)



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## Nangamso Sigwela

---

**From:** Roxanne Robinson  
**Sent:** Tuesday, 17 March 2020 09:50  
**To:** Nangamso Sigwela  
**Subject:** RE: Comments on 2018/2019 Draft Annual Report

Good day

None from Worcester

**From:** Nangamso Sigwela <nangamso@capewinlands.gov.za>  
**Sent:** Tuesday, 17 March 2020 07:26  
**To:** Roxanne Robinson <Roxanne@capewinlands.gov.za>; Myrtle Ruiters <Myrtler@capewinlands.gov.za>; Christelle Conradie <christelle@capewinlands.gov.za>; Elrina Marais <elrina@capewinlands.gov.za>  
**Subject:** Comments on 2018/2019 Draft Annual Report  
**Importance:** High

Dear Colleagues

I hope this finds you well.

Please confirm whether you have received any comments from the public in respect of the 2018/2019 draft annual report. If you have, please do forward those comments to me.

Kind Regards  
Nangamso

**Nangamso Sigwela**  
Deputy Director: Performance & Risk Management  
Cape Winelands District Municipality



021 888 5155



[nangamso@capewinlands.gov.za](mailto:nangamso@capewinlands.gov.za)



[www.capewinlands.gov.za](http://www.capewinlands.gov.za)





## Nangamso Sigwela

---

**From:** Nayan Lendon Wehr  
**Sent:** Tuesday, 17 March 2020 08:15  
**To:** Nangamso Sigwela  
**Subject:** RE: Comments on 2018/2019 Draft Annual Report

Dear Colleague

I confirm that there are no comments from the public on the 2018/2019 draft annual report

Regards  
Nayan

**From:** Nangamso Sigwela <nangamso@capewinelands.gov.za>  
**Sent:** Tuesday, 17 March 2020 08:09  
**To:** Nayan Lendon Wehr <nayanlw@capewinelands.gov.za>  
**Subject:** Comments on 2018/2019 Draft Annual Report  
**Importance:** High

Dear Colleague

I hope this finds you well.

Please confirm whether you have received any comments from the public in respect of the 2018/2019 draft annual report. If you have, please do forward those comments to me.

Kind Regards  
Nangamso

**Nangamso Sigwela**  
Deputy Director: Performance & Risk Management  
Cape Winelands District Municipality



021 888 5155



[nangamso@capewinelands.gov.za](mailto:nangamso@capewinelands.gov.za)

[www.capewinelands.gov.za](http://www.capewinelands.gov.za)



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## Nangamso Sigwela

---

**From:** Myrtle Ruiters  
**Sent:** Tuesday, 17 March 2020 07:54  
**To:** Nangamso Sigwela  
**Subject:** RE: Comments on 2018/2019 Draft Annual Report

Good day Nangamso

There are no comments from Paarl Office.

Kind regards

Myrtle

**From:** Nangamso Sigwela <nangamso@capewinelands.gov.za>  
**Sent:** Tuesday, 17 March 2020 07:26  
**To:** Roxanne Robinson <Roxanne@capewinelands.gov.za>; Myrtle Ruiters <Myrtler@capewinelands.gov.za>; Christelle Conradie <christelle@capewinelands.gov.za>; Elrina Marais <elrina@capewinelands.gov.za>  
**Subject:** Comments on 2018/2019 Draft Annual Report  
**Importance:** High

Dear Colleagues

I hope this finds you well.

Please confirm whether you have received any comments from the public in respect of the 2018/2019 draft annual report. If you have, please do forward those comments to me.

Kind Regards  
Nangamso

**Nangamso Sigwela**  
Deputy Director: Performance & Risk Management  
Cape Winelands District Municipality



021 888 5155



[nangamso@capewinelands.gov.za](mailto:nangamso@capewinelands.gov.za)



[www.capewinelands.gov.za](http://www.capewinelands.gov.za)



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## Nangamso Sigwela

---

**From:** Elrina Marais  
**Sent:** Tuesday, 17 March 2020 07:48  
**To:** Nangamso Sigwela  
**Subject:** FW: Comments on 2018/2019 Draft Annual Report

**Importance:** High

Good day

No comments received.

Kind Regards

Elrina Marais Montagu Office

**From:** Nangamso Sigwela  
**Sent:** 17 March 2020 07:26 AM  
**To:** Roxanne Robinson; Myrtle Ruiters; Christelle Conradie; Elrina Marais  
**Subject:** Comments on 2018/2019 Draft Annual Report  
**Importance:** High

Dear Colleagues

I hope this finds you well.

Please confirm whether you have received any comments from the public in respect of the 2018/2019 draft annual report. If you have, please do forward those comments to me.

Kind Regards  
Nangamso

**Nangamso Sigwela**  
Deputy Director: Performance & Risk Management  
Cape Winelands District Municipality



021 888 5155



[nangamso@capewinelands.gov.za](mailto:nangamso@capewinelands.gov.za)



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**ANNEXURE 'C'**

**COUNCIL MEETING  
MINUTES – 30 JANUARY  
2020**



Council Meeting  
30 January 2020

<b>C.14.1</b>	<b>DRAFT ANNUAL REPORT 2018/2019</b>	<b>(9/1/1)</b>
<b>R.14.1</b>	<b>KONSEP-JAARVERSLAG 2018/2019</b>	<b>(9/1/1)</b>
<b>C.14.1</b>	<b>INGXELO EYILWEYO YONYAKA 2018/2019</b>	<b>(9/1/1)</b>

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#### **PURPOSE OF SUBMISSION**

That Council take cognisance of the draft Annual Report 2018/2019.

#### **DOEL VAN VOORLEGGING**

Dat die Raad kennis neem van die konsep-Jaarverslag 2018/2019.

#### **INJONGO YONGENISO**

Yeyokokuba iBhunga lithabathele ingqalelo iNgxelo yoNyaka eyilwayo yowama-2018/2019.

#### **BACKGROUND**

The draft Annual Report 2018/2019 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.

#### **COMMENT**

\*\*\* Included under separate cover in the agenda is a copy of the draft Annual Report 2018/2019.

#### **RECOMMENDATION BY MUNICIPAL MANAGER: That -**

- (a) The Executive Mayor and Mayoral Committee take cognisance of the draft Annual Report 2018/2019;
- (b) The Executive Mayor together with the Mayoral Committee considers tabling the draft Annual Report 2018/2019 to the Council on Thursday, 30 January 2020 for notification.





Council Meeting  
30 January 2020

**AANBEVELING DEUR MUNISIPALE BESTUURDER: Dat -**

- (a) Die Uitvoerende Burgemeester en Burgemeesterskomitee kennis neem van die konsep-Jaarverslag 2018/2019;
- (b) Die Uitvoerende Burgemeester saam met die Burgemeesterskomitee oorweging daaraan skenk om die konsep-Jaarverslag 2018/2019 op Donderdag, 30 Januarie 2020 vir kennisname aan die Raad voor te lê.

**INGCEBISO EVELA KUMLAWULI KAMASIPALA: Okokuba –**

- (a) USodolophu wesiGqeba kunye neKomiti kaSodolophu bathabathele ingqalelo iNgxelo eyiliweyo yoNyaka yowoma – 2018/2019;
- (b) USodolophu wesiGqeba kunye neKomiti kaSodolophu bacamngce ngokuthi thaca iNgxelo iNgxelo eyiliweyo yoNyaka yowoma – 2018/2019 kwiBhunga ngolwesiNe, umhla we-30 kuJanyuwari 2020 ukulungiselela isaziso.

**MAYORAL COMMITTEE: 21 JANUARY 2020: ITEM MC.8.1.1**

**RESOLVED: That -**

- (a) Cognisance be taken of the draft Annual Report 2018/2019, included under separate cover in the agenda;
- (b) The draft Annual Report 2018/2019 be tabled in Council on Thursday, 30 January 2020 for notification.

**BURGEMEESTERSKOMITEE: 21 JANUARIE 2020: ITEMBK.8.1.1**

**BESLUIT:**

- (a) Kennis geneem word van die konsep-Jaarverslag 2018/2019, ingesluit by die agenda onder aparte omslag;
- (b) Die konsep-Jaarverslag 2018/2019 aan die Raad voorgelê word vir kennisname op Donderdag, 30 Januarie 2020.



Council Meeting  
30 January 2020

**IKOMITI KASODOLOPHU: UMHLA WAMA-21 KUJANYUWARI 2020:  
UMBA MC.8.1**

**KUGQITYWE:** Okokuba -

- (a) Inggalelo ithatyathelwe iNgxelo eyilwayo yoNyakayowama-2018/2019, ebandakanywe kwiphepha elilodwa kwi-ajenda;
- (b) iNgxelo eyolwayo yoNyaka yowama-2018/2019 ixoxwe kwiBhunga ngolwesiNe, umhla wama-30 kuJanyuwari 2020.

**RECOMMENDATION BY MAYORAL COMMITTEE:**

That Council take cognisance of the draft Annual Report 2018/2019, included under separate cover in the agenda.

**AANBEVELING DEUR BURGEMEESTERSKOMITEE:**

Dat die Raad kennis neem van die konsep-Jaarverslag 2018/2019, ingesluit onder aparte omslag by die agenda.

**INGCEBISO EYENZIWA YIKOMITI KASODOLOPHU:**

Yeyokokuba iBhunga lithabathele ingqalelo iNgxelo eyilwayo yoNyaka yowama-2018/2019, ebandakanywe kwiphepha elilodwakwi-ajenda.

**COUNCIL MEETING: 30 JANUARY 2020: ITEM C.14.1**

**RESOLVED:**

That cognisance be taken of the draft Annual Report 2018/2019, included under separate cover in the agenda.

**RAADSVERGADERING: 30 JANUARIE 2020: ITEM R.14.1**

**BESLUIT:**

Dat kennis geneem word van die konsep-Jaarverslag 2018/2019, ingesluit onder aparte omslag by die agenda.

**INTLANGANISO YEBHUNGA: UMHLA WAMA-30 KUJANYUWARI 2020:  
UMBA C.14.1**

**KUGQITYWE:**

Okokuba ingqalelo ithatyathelwe iNgxelo eyiliweyo yoNyaka yowama-2018/2019, ebandakanywe kwiphepha elilodwa kwi-ajenda.



# **ANNEXURE 'D'**

## **MPAC REVIEW OF 2018/2019 DRAFT ANNUAL REPORT (QUESTIONS AND FEEDBACK FROM ADMINISTRATION)**



**MPAC REVIEW OF 2018/2019 DRAFT ANNUAL REPORT AND MANAGEMENT RESPONSE**

<b>NO.</b>	<b>QUESTION</b>	<b>MANAGEMENT RESPONSE</b>
1.	How is the MM and Executive Management going to deal with the AGs findings? Request evidence of a plan in place.	An audit action plan has been developed in response to the findings raised by the Auditor General.
2.	Which is the lowest and highest performing department within the municipality? a. On page 57 of the APR – when will the externally managed hotline be in place?	Chapter 3 of the 2018/2019 Annual Report demonstrates the overall performance for the year broken down into strategic objectives for example Strategic Objectives (SOs) 1 to 3. a. The externally managed hotline is in the process of being procured.
3.	On page 56 of the APR, why were certain projects not completed, for example 84.5% and not 95% - need specific detail (will the balance of the spending be roll-over of what?)	The capital spent is below target due to some projects being cancelled and others carried forward to 2020/2021 financial year.  During the budget process an assessment was made on the current status of the SCM process with regards to capital acquisitions and some of the projects have been carried forward to the 2020/2021 financial year.
4.	On page 43 of the APR, why 54 and not 60 – shouldn't training be made	Even though more officials than the target were trained in total, only 54 fire officials formed part of the training.





	<p>compulsory for staff in order to achieve the set target?</p>	<p>The Cape Winelands District Municipality is dependent on the applications received for this training.</p> <p>Where possible, in future, the target will be adjusted at the Adjustment Budget.</p> <p>Also, employees may not have been able to attend the training due to operational priorities and thus affecting the planned target.</p>
<p><b>5.</b></p>	<p>Request to review the risk register.</p>	<p>Made available for review.</p>



## GLOSSARY

<b>Accessibility indicators</b>	Explore whether the intended beneficiaries are able to access services or outputs.
<b>Accountability documents</b>	Documents used by executive authorities to give "full and regular" 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.
<b>Activities</b>	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe "what we do".
<b>Adequacy indicators</b>	The quantity of input or output relative to the need or demand.
<b>Annual report</b>	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003). Such report must include annual financial statements as submitted to and approved by the Auditor-General.
<b>Approved budget</b>	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.
<b>Baseline</b>	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.
<b>Basic municipal service</b>	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.
<b>Budget year</b>	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
<b>Cost indicators</b>	The overall cost or expenditure of producing a specified quantity of outputs.
<b>Distribution indicators</b>	The distribution of capacity to deliver services.
<b>Financial statements</b>	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.
<b>General key performance indicators</b>	After consultation with MECs for local government, the minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
<b>Impact</b>	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
<b>Inputs</b>	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.

<b>Integrated Development Plan (IDP)</b>	Set out municipal goals and development plans.
<b>National key performance areas</b>	Service delivery and infrastructure; Economic development; Municipal transformation and institutional development; Financial viability and management; and Good governance and community participation.
<b>Outcomes</b>	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> ".
<b>Outputs</b>	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.
<b>Performance indicator</b>	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).
<b>Performance information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
<b>Performance standards</b>	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 this EPMDS, performance standards are divided into indicators and the time factor.
<b>Performance targets</b>	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.
<b>Service Delivery and Budget Implementation Plan</b>	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.
<b>Vote</b>	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>Section 1 of the MFMA defines a “vote” as:</p> <ul style="list-style-type: none"><li><i>(a) 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></li><li><i>(b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.</i></li></ul>
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## APPENDICES

## APPENDIX A – COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

## 1 JULY 2018 TO 30 JUNE 2019

COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE						
Council Members	Full-time (FT)/ Part-time (PT)	Committees allocated			Ward and/or party represented	Council meetings attended (10 meetings held for the financial year excluding Special Confidential Council meetings)
Cllr MM Adriaanse (Until 31 July 2018)	PT	Municipal (Alternate)	Public Accounts Committee		DA	1 (1 meetings)
Cllr WM Blom	PT		Ambassador for Persons with Disabilities		DA	8
Cllr GJ Carinus	FT	Mayoral Committee Local Labour Forum			DA	8
Cllr A Crombie	PT	Local Labour Forum (Alternate) Municipal Public Accounts Committee			DA	10
Cllr C Damens	PT	None			DA	10
Cllr P Daniëls	PT	Municipal (Alternate)	Public Accounts Committee		DA	10
Cllr JJ du Plessis	FT	Mayoral Committee Annual Performance Evaluation Panel (Managers directly accountable to the Municipal Manager)			DA	9
Cllr R du Toit	PT	Municipal Public Accounts Committee			DA	8

COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE				
Council Members	Full-time (FT)/ Part-time (PT)	Committees allocated	Ward and/or party represented	Council meetings attended (10 meetings held for the financial year excluding Special Confidential Council meetings)
		Training Committee (Alternate)		
Cllr GJ Fredericks	PT	Municipal Public Accounts Committee	DA	10
Cllr A Florence	FT	Mayoral Committee	DA	10
Cllr E Gouws (Until 31 July 2018)	PT	None	DA	1 (1 meetings)
Cllr P Hess	PT	Municipal Public Accounts Committee (Alternate)	DA	10
Cllr DD Joubert (From 1 August 2018)	FT	Mayoral Committee Local Labour Forum (Alternate)	DA	8 (9 meetings)
Cllr X Kalipa	PT	Municipal Public Accounts Committee	DA	9
Cllr MT Klaas	PT	Municipal Public Accounts Committee Training Committee (Alternate)	EFF	6
Cllr L Landu (Chief Whip)	FT	Mayoral Committee Rules Committee	DA	8
Cllr NS Louw (Until 31 July 2018)	PT	Local Labour Forum (Alternate) Municipal Public Accounts Committee	DA	0 (1 meeting)
Cllr SS Magqazana	PT	Municipal Public Accounts Committee	DA	9
Cllr P Marran (Until 15 May 2019)	PT	None	ANC	4 (8 meetings)

COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE				
Council Members	Full-time (FT)/ Part-time (PT)	Committees allocated	Ward and/or party represented	Council meetings attended (10 meetings held for the financial year excluding Special Confidential Council meetings)
Masoka ZL	PT	Municipal Public Accounts Committee	DA	10
Cllr ESC Matjan	PT	Municipal Public Accounts Committee	DA	4
Cllr C Meyer (Speaker)	FT	Rules Committee	DA	10
Cllr JS Mouton	PT	Municipal Public Accounts Committee (Alternate)	ANC	8
Cllr RS Nalumango	PT	None	ANC	6
Cllr LW Niehaus	FT	Mayoral Committee	DA	8
Cllr BB Ntshingila	PT	Municipal Public Accounts Committee Rules Committee	ANC	8
Cllr LN Qoba	PT	Municipal Public Accounts Committee	ANC	10
Cllr E Qhankqiso	PT	Municipal Public Accounts Committee (Alternate)	DA	9
Cllr PC Ramokhabi	FT	Mayoral Committee Training Committee Local Labour Forum	DA	7
Cllr SC Rens	PT	Municipal Public Accounts Committee (Alternate)	ANC	4
Cllr LS Sambokwe	PT	Local Labour Forum (Alternate)	ANC	9
Cllr ND Sauerma	PT	None	DA	7 (8 meetings)



COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE				
Council Members	Full-time (FT)/ Part-time (PT)	Committees allocated	Ward and/or party represented	Council meetings attended (10 meetings held for the financial year excluding Special Confidential Council meetings)
(From 2 October 2018)				
Cllr JW Schuurman	PT	Local Labour Forum	ANC	8
Cllr AJ Shibili	PT	None	ANC	6
Cllr J Smit (From 2 October 2018)	PT	None	DA	8 (8 meetings)
Cllr DRA Snyders	PT	Training Committee Rules Committee Municipal Public Accounts Committee (Alternate)	EFF	5
Cllr C Steyn	PT	Municipal Public Accounts Committee (Alternate)	DA	7
Cllr D Swart (Deputy Executive Mayor)	FT	Mayoral Committee	DA	10
Cllr N Tetana	PT	Municipal Public Accounts Committee (Alternate)	ANC	8
Cllr JJ van Rooyen	PT	Municipal Public Accounts Committee	ANC	6
Cllr JDF van Zyl	FT	Mayoral Committee Local Labour Forum Training Committee	DA	5

<b>COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE</b>				
<b>Council Members</b>	<b>Full-time (FT)/ part-time (PT)</b>	<b>Committees allocated</b>	<b>Ward and/or party represented</b>	<b>Council meetings attended (10 meetings held for the financial year excluding Special Confidential Council meetings)</b>
Cllr W Vrolick	PT	Municipal Public Accounts Committee (Alternate)	DA	8
Cllr (Dr) H von Schlicht (Executive Mayor)	FT	Mayoral Committee Annual Performance Evaluation Panel (Managers directly accountable to the Municipal Manager)	DA	10
Cllr CF Wliskut	PT	Rules Committee	BO	2

## 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
Performance and Audit Committee	The Performance and Audit Committee is an independent advisory body which must- (a) Advise the Municipal Council, the political office-bearers, the Accounting Officer and the management staff of the District Municipality on matters relating to – (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

	<p>and any other applicable legislation;</p> <p>(viii) Performance Evaluation; and</p> <p>(ix) Any other issues referred to it by the municipality or municipal entity;</p> <p>(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;</p> <p>(c) Respond to the Council on any issues raised by the Auditor-General in the audit report;</p> <p>(d) Carry out such investigations into the financial affairs of the District Municipality as the Council of the District Municipality may request; and</p> <p>(e) Perform such other functions as may be prescribed.</p>
<p>Municipal Public Accounts Committee (MPAC)</p>	<p>The primary Terms of Reference of the MPAC in addition to other relevant functions are as follows :</p> <p>(a) Shall not be responsible for policy formulation;</p> <p>(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;</p> <p>(c) Shall have permanent referral of documents as they become</p>

	<p>available relating to:</p> <ul style="list-style-type: none"><li>(i) In-year reports of the CWDM;</li><li>(ii) Financial statements of the CWDM as part of its oversight process;</li><li>(iii) Audit opinion, other reports and recommendations from the Audit Committee;</li><li>(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);</li><li>(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;</li><li>(vi) Any other audit report of the CWDM; and</li><li>(vii) Performance information of the CWDM.</li></ul> <p>(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;</p> <p>(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;</p> <p>(f) Shall examine the financial statements and audit reports of the CWDM and in doing so, consider improvements from previous</p>
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	<p>statements and reports and evaluate the extent to which the Audit Committee's and the Audit General's recommendations have been implemented;</p> <p>(g) Shall promote good governance, transparency and accountability on the use of municipal resources;</p> <p>(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;</p> <p>(i) Shall request the support of both the internal and external auditors in an advisory capacity when necessary;</p> <p>(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, 2008;</p> <p>(k) Shall perform any other functions within its area of responsibility assigned to it through a resolution of Council.</p>
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## APPENDIX C – THIRD-TIER ADMINISTRATIVE STRUCTURE

THIRD-TIER STRUCTURE		
Directorate	Position	Name
<b>Office of the Municipal Manager</b>	Director: IDP, Performance and Risk Management	BT Daries
	Chief Audit Executive	R Zeelie
	Deputy Director: Communication Services	EJ Otto
<b>Financial and Strategic Support Services</b>	Director: Budget and Treasury Office	MJ Lesch
	Director: Human Resources	GCN Gilbert
	Director: Support Services	K Smit
<b>Community Development and Planning Services</b>	Deputy Director: Local Economic and Socio economic Development	RWB van Wyk
	Senior Manager: Rural and Social Development	G Xawuka
	Deputy Director: Town and Regional Planning	QJ Baile
	Chief Fire Officer	DH Wilds
	Head of Municipal Disaster Management Centre	SP Minnies
	Deputy Director: Municipal Health Services	HD Boock
	Deputy Director: Municipal Health Services	RJ Humphreys
<b>Technical Services</b>	Director: Roads	ACA Stevens
	Deputy Director: Public Transport	BB Kurtz
	Deputy Director: Projects	C Swart
	Deputy Director: Building Maintenance	TJ Solomon
	Deputy Director: Information Technology	AM Gabier
		TC

## APPENDIX D – FUNCTIONS OF MUNICIPALITY

In terms of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998):

### **FUNCTIONS AND POWERS OF MUNICIPALITIES (ss 83-84)**

#### **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 which 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) unicipal health services.
- (j) Fire fighting services serving the area of the district municipality as a whole, which includes-
  - (i) planning, co-ordination and regulation of fire services;
  - (ii) specialised fire fighting services such as mountain, veld and chemical fire services;
  - (iii) co-ordination 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.

- (l) he 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.

**APPENDIX E – RECOMMENDATIONS OF THE MUNICIPAL PERFORMANCE AND AUDIT COMMITTEE 2018/2019**

<b>MUNICIPAL PERFORMANCE AND AUDIT COMMITTEE RECOMMENDATIONS</b>		<b>Comments</b>
<b>Date of committee</b>	<b>Committee recommendations during year</b>	
05/07/2019	That a Whistle Blower Policy is also needed for Cape Winelands District Municipality	Risk Management should look at the implementation of a Whistle Blower Policy
05/07/2019	The dates for the meeting of the ICT Steering Committee be prioritized.	The dates for the meeting of the ICT Steering Committee be schedule for the whole financial year upfront
05/07/2019	Mission of the Division: Internal Audit and the detail of other assurance providers be better defined in the audit plan	The audit plan was updated to beter define the mission of Internal Audit and the detail of other assurance providers.
06/05/2019	That Performance and Audit Committee meeting dates be aligned to Council meeting dates	The Performance and Audit Committee meeting dates has been aligned to Council meeting dates so that AC report been submitted to Council faster.
28/01/2019	The Division: Internal Audit conduct a follow-up audit in respect of the findings in the Leave Audit	The Division: Internal Audit conduct a follow-up audit in respect of the findings in the Leave Audit and submitted the report to the Performance and Audit Committee
07/05/2018	Detail of the audit items in respect of the Governance Audit be provided for information.	Detail of the audit items in respect of the Governance Audit were provided to the Performance and Audit Committee

Chapeau Winapees District Municipality Audit Action Plan 2018/2019

Department	Programme/Activity	Responsible Officer	Responsible Department	Project/Activity	Start Date	Completion Date	Page Ref
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<b>Accumulated Surplus</b>							
Measurement in financial statements	Note 16: Incurred classification of capital expenditure	Yes	MJ Lasch	Note 16 was adjusted to split PPE and Intangible assets.	L	01-Nov-19	ComAF 10 Pages 49 - 49

<b>Other Receivables</b>							
Measurement in financial statements	Note 4: Other receivables aging	Yes	MJ Lasch	Note 4 was adjusted to correct the aging	L	01-Nov-19	ComAF 12 Pages 50

<b>Employee Benefits</b>							
Measurement in financial statements	GRAP 25	Yes	MJ Lasch	Management obtained a revised actuarial valuation and adjusted the APS accordingly due to the advance stage of the audit. Management do not necessarily agree with the Auditor's interpretation of GRAP 25 in section of GRAP 19, however Management will obtain further clarity at a later stage on the technical aspect.	H	20-Nov-19	ComAF 14 Pages 30 - 35

<b>Internal control deficiency</b>	Measures to improve performance	Yes	B Davies	The Annual Performance Report (APR) was updated, as recommended.		24-Oct-19	ComAF 4 Pages 46 - 47
<b>Internal control deficiency</b>	In terms of paragraph 3.2 of the Framework for Managing Programme Performance Information (FMPI), a good performance indicator must be:  (a) Reliable: the indicator should be accurate enough for its intended uses and respond to changes in the level of performance?	Yes	B Davies	The Annual Performance Report (APR) was updated, as recommended.		24-Oct-19	ComAF 6 Pages 36 - 37



## APPENDIX F – DISCLOSURES OF FINANCIAL INTERESTS

## COUNCILLORS OF: CAPE WINELANDS DISTRICT MUNICIPALITY

	Title	Initials	Surname	Name	Employee #
1	Mrs	M M	ADRIAANSE (until 31 July 2018)	MIRIAM	20063
2	Mr	W M	BLOM	WILLEM	20059
3	Mr	G J	CARINUS	GIDEON	20003
4	Mrs	A	CROMBIE	ANSAAF	20067
5	Mr	C	DAMENS	CHARLES	20005
6	Mr	P	DANIELS	PATRIC	20080
7	Mr	J J	DU PLESSIS	JACOBUS	20030
8	Miss	R	DU TOIT	ROZETTE	20071
9	Mr	A	FLORENCE	ACHMAT	20069
10	Mr	G J	FREDERICKS	GERRIT	20060
11	Mrs	E	GOUWS (until 31 July 2018)	EVA	20064
12	Mrs	P	HESS	PAULINE	20065
13	Mr	D D	JOUBERT (from 01 August 2018)	DONAVAN	20087
14	Mr	X	KALIPA	XOLILE	20018
15	Mr	M T	KLAAS	MOSES	20070
16	Miss	L	LANDU	LINDA	20072
17	Mr	N S	LOUW (until 31 July 2018)	NICOLAAS	20078
18	Mr	S S	MAGQAZANA	SITHEMBISO	20061
19	Mr	P	MARRAN (until 15 May 2019)	PATRICK	20039
20	Mr	Z L	MASOKA	ZOLANI	20086
21	Mrs	E S C	MATJAN	EVELYN	20051
22	Mrs	C	MEYER	CLARA	20023
23	Mrs	J S	MOUTON	JOHNNEREY	20033
24	Mrs	R S	NALUMANGO	RONALDA	20079
25	Mr	L W	NIEHAUS	L	20068
26	Mr	B B	NTSHINGILA	BOY-BOY	20058

	Title	Initials	Surname	Name	Employee #
27	Mr	E	QHANKQISO	ERNEST	20057
28	Mrs	L N	QOBA	LIZZIE	20025
29	Miss	P C	RAMOKHABI	PALESA	20073
30	Mr	S C	RENS	SAMUEL	20085
31	Miss	L S	SAMBOKWE	LUDIA	20083
32	Mr	N D	SAUERMAN (from 02 October 2018)	NICOLAAS	20089
33	Mr	J W	SCHUURMAN	JOHN	20066
34	Mr	A J	SHIBILI	ANDILE	20081
35	Mr	J	SMIT (from 02 October 2018)	JOHANNES	20088
36	Mr	D R A	SNYDERS	DAVID	20062
37	Mr	C	STEYN	CRAIG	20056
38	Mr	D	SWART	DIRK	20074
39	Mrs	N	TETANA	NOMALUNGISA	20084
40	Mr	J J	VAN ROOYEN	JEAN	20055
41	Mr	J D F	VAN ZYL	JACOBUS	20075
42	Dr	H	VON SCHLICHT	HELENA	20044
43	Mr	W	VROLICK	WILFRED	20077
44	Mr	C F	WILSKUT	COLIN	20082



**Declarations in terms of: Local Government: Municipal Finance Management Act, 2003. Municipal 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's Name	Pay No.	Company(s) where shares/ securities are kept	Nature of shares (e.g. ordinary, preference, etc)	Number of shares	Nominal value of shares	Total value of shares
Carinus G J	20003	Propco Trust – ( 10 Properties)	Property Company with Global Value	11.1 %	R 500 000.00	R2 000 000.00
Carinus G J	20003	8 – Stellenbosch & 2 - Kullisrivier				
Florence A	20069	Telkom	Ordinary	75	73,71 per share	5,528.25
Florence A	20069	Vodacom	Ordinary	75	110,36 per share	8,277.00
Nalumango R	20079	P A Group	Shares	700	1 000 p.a.	
Siwakamisa L N	20025	MTN	Ordinary	25		
Snyders D R A	20062	Menclire Holdings	Ordinary	25	R 25.00	R25.00
Snyders D R A	20062	Drakenstein Co-op	Ordinary	20	R20.00	R20.00
Van Zyl J D F	20075	J S E	Ordinary			R 300 000.00

**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
Carinus G J	20003	Foretha Boerdery	Rental of Municipality Stellenbosch Land - Partnership	Property 184 -D	50 %			X
Du Plessis J J	20030	Moulin Du Plessis CC	Roller Fluting	No further detail submitted	Sole	None		X
Qhankqiso E	20057	True Luv Developments Pty Ltd	Dormant	No further detail submitted	Member of 50%	R46 000.0 p.a		X
Shibili A J	20081	AKA & MTHE	CC	No further detail submitted	50 %	None		X
Snyders D R A	20062	Mencilire Holding	Construction	No further detail submitted	25 %	None		X

## INTEREST IN ANY TRUSTS

Councillor's Name	Pay No.	Name of Trust	Nature of Interest
Carinus G J	20003	Highmead Farming Trust	Trust Creator and Main Trustee
Carinus G J	20003	Madre Carinus Trust	Investment Trust for Family
Carinus G J	20003	Propco Trust	Property Trust = 11 % Share Holding
Du Plessis J J	20030	Oude Tol Investment Trust	Resident Property Ownership
Hess P	20065	Robertson Small Scale Farmers	Member
Niehaus L W	20068	AGS Pinksterkerk Trust	Member

## DIRECTORSHIPS

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 membership	Remuneration received from directorship/ membership (per annum)	Does the Organisation do business with CWDM?	
							YES	NO
Blom W M	20059	Isiviko	Occupational Health and Safety	n/a	51 %		X	
Carinus G J	20003	Forentha Boerdery	Farm on Municipality – Rental Land	n/a	50 % Membership			X
Joubert D D	20087	Shosoloza Konstruksie	Trade Union	n/a	Member	None		X

## DIRECTORSHIPS

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 shareholding) or membership	Remuneration received from directorship/ membership (per annum)	Does the Organisation do business with CWDM?	
							YES	NO
Klaas M T	20070	Amampondomise Burial Society Pty Ltd	Electrical		Director	None		X
Mouton J S	20033	Home Base Traders	Construction		100 %	None		X
Mouton J S	20033	Shosolozza Construction	Construction		100 %	None		X
Niehaus L W	20068	Cape Winelands Sports Council	Sport	n/a	n/a	None	X	
Niehaus L W	20068	Western Cape Judo	Sport	n/a	n/a	None		X
Niehaus L W	20068	Cape Winelands Judo	Sport	n/a	n/a	None	X	
Qhankqiso E	20057	True Luv Developments	Dormant		50 %	R4 4000.00 p.a		X
Qhankqiso E	20057	House of Restoration - NGO	Ministry		0 %			X
Ramokhabi P C	20073	Yakha Social Group	NGO				X	
Sauerman N D	20089	Solar Energy Land Pty Ltd	Solar	2013/15264 9/07	5 %			X
Von Schlicht H	20044	Wesgro	Economic Development				X	X
Von Schlicht H	20044	ACW Hoofbestuur	Welfare					X
Von Schlicht H	20044	ACW Wellington	Welfare					X

**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 membership	Remuneration received from directorship/ membership (per annum)	Does the Organisation do business with CWDM?	
							YES	NO
Carinus G J	20003	Propco Trust	Property Trust		11 %	Property and Still Day Bond		X
Carinus G J	20003	Via Madre Carinus Trust			Trustee			X
Carinus G J	20003	Foretha Boerdery	Rental Land 24 ha's of Municipality Stellenbosch		50 % Partner			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	
Blom W M	20059	Thys Blom Tax Practitioner	Tax Consultant	R 25 000.00 p.a.		X			All Clients
Sauerman N D	20089	Nical Sauerman	Consultant	R 300 000.00		X		X	Bossiness people

**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
Blom W M	20059	Residential	Worcester	18 Hugo Naude , Worcester	Owner		X
Carinus G J	20003	Rental Land	Stellenbosch	Devon Valley 184 D	Lessor – 50 % Partner		X

**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		Stellenbosch	Stellenbosch			X
Carinus G J	20003		8 – Stellenbosch 2 - Kuilsrivier	Stellenbosch & Kuilsrivier	Co – Owner Via Trust		X
Crombie A	20067	Residential	Stellenbosch	7 Pool Street, Cloetesville, Stellenbosch	Owner		X
Du Plessis J J	20030	Farm	148 Ha	Oude Tol, Tulbagh	Residing		X
Joubert D D	20087	Residential	Stellenbosch	3 Packham Street, Stellenbosch	Owner		X
Nalumango R S	20079	Residential	Randburg	18 Grafiet Street, Randburg	Owner		X
Nalumango R S	20079	Residential	Randburg	36 Loriesloft, Perm Street, Randburg	Owner		X

**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
Qhankqiso E	20057	Residential	Robertson	6 August Street, Robertson	Owner		X
Qhankqiso E	20057	Residential	Touwsriver	10 Jane Street, Touwsriver	Owner		X
Sauerman N D	20089	Residential	Wellington	Erf 3721	Owner		X
Shibili A J	20081	RDP House	Robertson	26 Nyamana Street, Robertson	Owner		X
Swart D	20074	Residential	Ceres	19 Buckingham Singel, Ceres	Owner		X
Von Schlicht H	20044	Residential	Wellington	9 Albertros Street, Wellington	Co-owner		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
Crombie A	20067	Stellenbosch Municipality	Municipality	Councillor				X
Majjan E S C	20051	Breede Valley Municipality	Municipality	Councillor			n/a	
Nalumango R S	20079	Stellenbosch Municipality	Municipality	P R Councillor	R 24 000.00			
Niehaus L W	20068	Drakenstein Municipality	Municipality	Councillor	R 20 000.00			
Ramokhabi P C	20073	Breede Valley Municipality	Municipality	Councillor			X	
Sauerman N D	20089	Drakenstein Municipality	Municipality	Councillor				
Tetana N	20074	Contract Parmalat	Contract		R 6 000.00 p.m			X

**PENSION**

<b>Councillor's Name</b>	<b>Pay No.</b>	<b>Source of the pension (Pension Fund)</b>	<b>Value of the pension</b>
Du Plessis J J	20030	Sanlam	R 2 000.00
Swart D	20074	M P F	Not Known
Van Zyl J D F	20075	Government Employees Pension Fund	R 20 000.00 p/m

**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	
Blom W M	20059	Western Cape Association for Persons with Disabilities	Transport	X		R 5 000.00

**3. Disclosure of benefits**

Councillor's Name	Pay No.	Relationship	Associate	Third party that connects them
No submissions received				

**APPENDIX G (I)– REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE**

Vote Description	REVENUE COLLECTION PERFORMANCE BY VOTE						2018/2019 Variance	
	2017/2018		2018/2019		Actual	Adjusted Budget	Original Budget	Adjustment Budget
	Actual	Original Budget	Adjusted Budget	Adjusted Budget				
Budget And Treasury Office	-280	0	-280	-280	-280	-280	100%	0%
Buildings: Maintenance	-135	-135	-252	-261	-261	-261	0%	-4%
Disaster Management	0	-	-1 000	0	0	-1 000	N/A	N/A
Expenditure	-220 906	-223 207	-223 214	-223 214	-223 214	-223 214	0%	0%
Finance Management	-8	-480	-696	-1	-1	-1	100%	100%
Financial Management Grant	-1 250	-1 000	-1 000	-1 000	-1 000	-1 000	0%	0%
Fire Services	-871	-200	-136	-136	-136	-136	32%	0%
Human Resources Management	-949	-757	-1 121	-429	-429	-429	43%	62%
Integrated Development Plan	-	-	-	-	-	-	N/A	N/A
Internal Audit	-	-	-200	-	-	-200	N/A	100%
Land-use and Spatial Planning	-210	-377	0	0	0	0	100%	#DIV/0!
Local Economic Development	-	-	-	-	-	-	N/A	N/A
Municipal Health Services	-580	-250	-364	-575	-575	-575	-130%	-58%
Roads: Main Div / Indirect	-94 845	-99 343	-110 188	-110 345	-110 345	-110 345	-11%	0%
Roads: Plant	-	-17 169	-18 302	-	-	-	100%	100%
Performance Management	-	-	0	-	-	0	N/A	100%
Procurement	-149	-100	-167	-167	-167	-167	-67%	0%
Projects and Housing	-4 524	4 780	-5 107	-4 755	-4 755	-4 755	1%	7%
Public Transport Regulation	-192	-900	-1 608	-716	-716	-716	20%	55%
Social Development	-62	-74	0	-78	-78	-78	-5%	#DIV/0!
Sundry Expenditure of the Council	-54 132	-54 247	-71 346	-70 381	-70 381	-70 381	-30%	1%
Tourism	-46	-50	-50	-41	-41	-41	N/A	N/A
Working for Water (DWAF)	-1 099	-4 355	0	0	0	0	100%	#DIV/0!

## APPENDIX G (II)– REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						
Description	2017/2018		2018/2019		2018/2019 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments 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	-	-	-	-	-	-
Service charges – other	71	200	136	136	32%	0%
Rental of facilities and equipment	124	131	248	248	-89%	0%
Interest earned – external investments	51 928	51 850	55 246	54 294	-5%	2%
Interest earned – outstanding debtors	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-
Fines	2	-	0	0	100%	#DIV/0!
Licences and permits	-	-	-	-	-	-
Agency services	96 154	120 768	126 365	108 553	10%	14%
Transfers recognised – operational	230 434	233 097	235 735	231 989	0%	2%
Other income	1 525	1 379	3 287	3 389	-146%	-3%
<b>Total Revenue</b>						
<b>(excluding capital transfers and contributions)</b>	<b>380 238</b>	<b>407 425</b>	<b>421 017</b>	<b>398 609</b>	<b>2%</b>	<b>5%</b>

## APPENDIX H – CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

CONDITIONAL GRANTS: EXCLUDING MIG						
R'000						
Details	Budget	Adjustment Budget	Actual	% Variance		
				Budget	Adjustment Budget	
EPWP incentive	1 391	1 391	1 391	0	0	
Local Government Financial Management Grant	1 000	1 000	1 000	0	0	
Western Cape Financial Management Support Grant	880	895	280	68	69	
Integrated Transport Plan	900	1 608	716	20	55	
Rural Roads Asset Management System	2 689	2 689	2 393	11	11	
Community Development Workers	0	0	78	100	100	
Western Cape Financial Capacity Building Grant	360	360	81	78	78	
Municipal Service Delivery & Capacity Building(Local C	0	400	0	0	100	
Local Government Graduate Internship Grant	72	72		100	100	
Safety Plan Implementation - WOSA		1 000	0	0	100	
<b>Total</b>	<b>7 292</b>	<b>9 415</b>	<b>5 939</b>	<b>19</b>	<b>37</b>	