



CAPE WINELANDS DISTRICT
MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

MPAC/OVERSIGHT

REPORT

2019/20

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 2019/2020 financial year.

2. BACKGROUND

The 2019/2020 Draft Annual Report was tabled in Council on 25 March 2021, reporting on the Cape Winelands District Municipality's performance for the period from 01 July 2019 until 30 June 2020. The aforementioned report was set out for public comment from 31 March 2021.

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 9 months after the end of the financial year, i.e. by the end of March 2021.

The Council of the Cape Winelands District Municipality (CWDM) is furthermore required to engage with, and finalise the Annual Report within 11 months after the end of the financial year, which is before 31 May 2021.

The process for the finalisation and approval of the 2019/2020 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 October 2020 |
| Receipt of final audit report from Auditor-General | MFMA Section 126(3)(b) | 19 April 2021 |
| Tabling of Draft Annual Report in Council by Executive Mayor | MFMA Section 127(2) | 25 March 2021 |
| Allowing for comment (written submission) by the community and relevant state organs | MFMA Section 127(5)(a) & (b) | 30 April 2021 |
| Allowing verbal comment and oversight on annual report by the Oversight Committee | MFMA Section 130 (5)(a) & (b) | 30 April 2021 |
| Consideration and adoption of Annual Report and Oversight Report by Council | MFMA Section 129(1) | 27 May 2021 |
| Submission of Annual Report and Oversight Report to AG, Provincial Treasury and MEC: Local Government | MFMA Section 129(2)(b) | 31 May 2021 |
| Communication of final Annual Report / Oversight Report (Website, hard copies and other mediums) | MFMA Section 129(3) | 31 May 2021 |

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. | Klaas, M.T. | Councillor | EFF |
| 8. | Magqazana, S.S. | Councillor | DA |
| 9. | Mouton, J.S. (Secundi) | Councillor | ANC |
| 10. | Ntshingila, B.B. | Councillor (Chairperson) | ANC |
| 11. | Qankqiso, 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 |
| 20. | Masoka, Z.L. | Councillor | DA |

2. The following be considered as the primary Terms of Reference for the MPAC in addition to other relevant functions and duties set out in the "Guideline for Establishment of Municipal Public Accounts Committees" as well as National Treasury's Circular 32 of 15 March 2006 titled "The Oversight Report", i.e. the MPAC/Oversight Committee –

- a. Shall not be responsible for policy formulation;

- b. May engage directly with the public and consider public comments when received and will be entitled to request documents or evidence from the Accounting Officer;
- c. Shall have permanent referral of documents as they become available relating to:
 - i. In-year reports of the CWDM;
 - ii. Financial statements of the CWDM as part of its oversight process;
 - iii. Audit opinion, other reports and recommendations from the Audit Committee;
 - iv. Information relating to compliance in terms of sections 128 and 133 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA);
 - v. Information in respect of any disciplinary action taken in terms of the MFMA where it relates to an item that is currently serving or has served before it;
 - vi. Any other audit report of the CWDM; and
 - vii. Performance information of the CWDM.
- d. Shall consider and evaluate the content of the Annual Report and to make recommendations to Council when adopting an oversight report on the Annual Report;
- e. In order to assist with the conclusion of matters that may not be finalized, information relating to past recommendations made on the Annual Report must also be reviewed, relating to current in-year reports, including the quarterly, mid-year and annual reports;
- f. Shall examine the financial statements and audit reports of the CWDM and in doing so, consider improvements from previous statements and

reports and evaluate the extent to which the Audit Committee's and the Audit General's recommendations have been implemented;

- g. Shall promote good governance, transparency and accountability on the use of municipal resources;
- h. Shall recommend or undertake any investigation in its area of responsibility, after reviewing any investigation report already undertaken by the CWDM or the Audit Committee;
- i. Shall request the support of both the internal and external auditors in an advisory capacity when necessary;
- j. Shall conduct investigations into unauthorized, irregular and/or fruitless and wasteful expenditure in accordance with section 32(2)(a)(ii) of the MFMA and regulation 74 of the Municipal Budget and Reporting Regulations;
- k. Shall perform any other functions within its area of responsibility assigned to it through a resolution of Council.

4. OVERSIGHT REPORT

The Oversight Report is a separate product from the Annual Report. The Annual Report is submitted to the Council by the Accounting Officer and the Executive Mayor, and is part of the process for discharging accountability by the executive and administration for their performance in achieving objectives and goals set by the municipality in the financial year.

The Oversight Report is considered to be a report of the MPAC. After tabling the 2019/2020 Draft Annual Report on 25 March 2021, in line with Section 127(5) of the MFMA, Cape Winelands District Municipality (CWDM) allowed for public comments regarding the 2019/2020 Draft Annual Report from 31 March 2021 until 30 April 2021.

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 25 March 2021 where the Annual Report was tabled. The Accounting Officer (Municipal Manager) attended the MPAC meeting on 18 May 2021 where the Oversight Report was to be discussed. The meeting could not continue as there was no quorum.

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 2019/2020 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 2019/2020 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 2019/2020 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 2019/2020 Annual Report of Cape Winelands District Municipality (CWDM) be approved without reservations, in terms of section 129 of the MFMA.
- (e) The 2019/2020 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 2019/2020 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 2019/20 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 2019/20 Annual Report accurately reflects the performance of the Municipality for the year under review and recommend that the Council approve the 2019/20 Annual Report without reservations.

C. Meyer, Speaker

Ms C. MEYER

SPEAKER (ON BEHALF OF COUNCIL)

27 May 2021

ANNEXURE 'A'

AUDIT ACTION PLAN

Cape Winelands District Municipality Audit Action Plan 2019/2020

Corrected Findings

| Classification | Based on AG finding | Proposed Corrective Action | Corrected 2019/2020 | Responsible person | Progress on Implementation | Priority Rating | Due Date | COMAF | Page Ref MR |
|---------------------------------|---|--|---------------------|--------------------|---|-----------------|-----------|---------|-------------|
| Supply Chain Management | | | | | | | | | |
| Non-compliance with Legislation | Non-compliance with Municipal Supply Chain Management Regulations | It is recommended that going forward management should review and update the Supply Chain Management policy in a timely manner in order to detect and prevent non-compliance with Municipal Supply Chain Management Regulations. | Yes | R Leo | The Supply Chain Management policy was reviewed as part of the 2020/2021 budget process. Council meeting 26 March 2020 resolved to adopt for public participation, inspection, public representations, inputs and comment. | H | 31-May-20 | ComAF 1 | |

ANNEXURE 'B'

KEY COMMENTS: COMMUNITY AND ORGANS OF STATE

KENNISGEWING

KONSEP-2019/2020 JAARVERSLAG

KONSEP- VIERDE HERSIENING VAN DIE 2017/2018 TOT 2021/2022 GEÏNTEGREERDE ONTWIKKELINGSPLAN (GOP)

KONSEP-2021/2022 TOT 2023/2024 VEELJARIGE MEDIUMTERMYNINKOMSTE-EN-UITGAWERAAMWERK (MTIUR) EN DIENSLIEWERING- EN BEROEGINGSIMPLEMENTERINGSPLAN (DLBIP)

Kennisgewing geskied hiermee ingevolge artikels 22(a), 121 en 129(3) van die Wet op Plaaslike Regering: Munisipale Finansiële Bestuur, 2003 (Wet No. 56 van 2003) en regulasie 3(4)(b) van die Plaaslike Regering: Munisipale Beplanning- en Prestasiebestuursregulasies, 2001, saamgelees met artikel 21(A) van die Wet op Plaaslike Regering: Munisipale Stelsels, 2000 (Wet No. 32 van 2000), dat die Raad by Item R.15.1 van 25 Maart 2021 die konsep- vierde hersiening van die 2017/2018 tot 2021/2022 Geïntegreerde Ontwikkelingsplan (GOP), die konsep-2021/2022 tot 2023/2024 Veeljarige Mediumtermynkoste-en-Uitgaweraamwerk (MTIUR) vir die Kaapse Wynland Distriksmunisipaliteit (KWDM), asook die Dienslewering- en Begrotingsimplementeringsplan (DLBIP) goedgekeur het.

Kennisgewing geskied verder hiermee ingevolge artikel 21A van die Wet op Plaaslike Regering: Munisipale Stelsels, 2000 (Wet No. 32 van 2000) saamgelees met artikel 127(5)(a) van die Wet op Plaaslike Regering: Munisipale Finansiële Bestuur, 2003 (Wet No. 56 van 2003) dat die konsep-2019/2020 Jaarverslag op 25 Maart 2021 by Item R.14.1 aan die Raad voorgelê is.

Die konsep- vierde hersiening van die 2017/2018 tot 2021/2022 Geïntegreerde Ontwikkelingsplan (GOP), die konsep-2021/2022 tot 2023/2024 Veeljarige Mediumtermynkoste-en-Uitgaweraamwerk (MTIUR), die Dienslewering- en Begrotingsimplementeringsplan (DLBIP) asook die konsep-2019/2020 Jaarverslag is ter insae beskikbaar by die ondergemelde kantore van die Kaapse Wynland Distriksmunisipaliteit (KWDM), asook op die Kaapse Wynland Distriksmunisipaliteit (KWDM) se webwerf by www.capewinlands.gov.za:

- Stellenbosch (Du Toitstraat 29): Me. A.I. Issel
- Worcester (Trappesstraat 51): Me. R.V.F. Robinson
- Paarl (Hoofstraat 194): Me. M. Marang
- Ceres (Munnikstraat 27): Me. C. Louw
- Robertson (Van Reenenstraat 40): Mnr. N.L. Wehr
- Montagu (Badstraat 50A): Me. C.E. Marais.

Openbare vertoë, insette en kommentaar oor die konsep- vierde hersiening van die 2017/2018 tot 2021/2022 Geïntegreerde Ontwikkelingsplan (GOP), die konsep-2021/2022 tot 2023/2024 Veeljarige Mediumtermynkoste-en-Uitgaweraamwerk (MTIUR), die Dienslewering- en Begrotingsimplementeringsplan (DLBIP) en/of die konsep-2019/2020 Jaarverslag wat op 27 Mei 2021 vir goedkeuring deur die Raad oorweeg sal word, moet die Kantoor van die Munisipale Bestuurder voor 12:00 op Vrydag, 30 April 2021 bereik.

Enige persoon wat nie kan lees of skryf nie, persone met gestremdhede en mense uit benadeelde groepe wat nie in staat is om skriftelike kommentaar te lewer oor die konsep- vierde hersiening van die 2017/2018 tot 2021/2022 Geïntegreerde Ontwikkelingsplan (GOP), die konsep-2021/2022 tot 2023/2024 Veeljarige Mediumtermynkoste-en-Uitgaweraamwerk (MTIUR), die Dienslewering- en Begrotingsimplementeringsplan (DLBIP) en/of die konsep-2019/2020 Jaarverslag nie, kan die hulp van bogemelde persone aanvra om hulle insette of kommentaar aan te teken en aan die Distriksmunisipaliteit voor te lê.

Navrae kan gerig word aan: Munisipale Bestuurder, Kaapse Wynland Distriksmunisipaliteit, Posbus 100, Stellenbosch, 7599, telefoon 0861 265 263, faks 023 342 8442 of per e-pos: admin@capewinlands.gov.za

HF PRINS
MUNISIPALE BESTUURDER

Kaapse Wynland
Distriksmunisipaliteit
Alexanderstraat 46
Stellenbosch 7600



NOTICE

DRAFT 2019/2020 ANNUAL REPORT

DRAFT FOURTH REVIEW OF THE 2017/2018 TO 2021/2022 INTEGRATED DEVELOPMENT PLAN (IDP)

DRAFT 2021/2022 TO 2023/2024 MULTI-YEAR MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)

Notice is hereby given in terms of sections 22(a), 121 and 129(3) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) and regulation 3(4)(b) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 read together with section 21(A) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) that Council at Item C.15.1 of 25 March 2021, approved the draft fourth review of the 2017/2018 to 2021/2022 Integrated Development Plan (IDP), the draft 2021/2022 to 2023/2024 Multi-year Medium Term Revenue and Expenditure Framework (MTREF) for the Cape Winelands District Municipality (CWDM) as well as the Service Delivery and Budget Implementation Plan (SDBIP).

Notice is further given in terms of section 21A of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), read with section 127(5)(a) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) that the draft 2019/2020 Annual Report was tabled in the Council at Item C.14.1 of 25 March 2021.

The draft fourth review of the 2017/2018 to 2021/2022 Integrated Development Plan (IDP), the draft 2021/2022 to 2023/2024 Multi-year Medium Term Revenue and Expenditure Framework (MTREF), the Service Delivery and Budget Implementation Plan (SDBIP) as well as the draft 2019/2020 Annual Report are available for inspection at the below-mentioned offices of the Cape Winelands District Municipality (CWDM) as well as on the Cape Winelands District Municipality (CWDM) website at www.capewinlands.gov.za:

- Stellenbosch (29 Du Toit Street): Ms. A.I. Issel
- Worcester (51 Trappes Street): Ms. R.V.F. Robinson
- Paarl (194 Main Street): Ms. M. Marang
- Ceres (27 Munnik Street): Ms. C. Louw
- Robertson (40 Van Reenen Street): Mr. N.L. Wehr
- Montagu (50A Bath Street): Ms. C.E. Marais.

Public representations, inputs and comments on the draft fourth review of the 2017/2018 to 2021/2022 Integrated Development Plan (IDP), the draft 2021/2022 to 2023/2024 Multi-year Medium Term Revenue and Expenditure Framework (MTREF), the Service Delivery and Budget Implementation Plan (SDBIP) and/or the draft 2019/2020 Annual Report that will be considered for approval by the Council on 27 May 2021, must reach the Office of the Municipal Manager before 12:00 on Friday, 30 April 2021.

Any person who cannot read or write, people living with disabilities and people from disadvantaged groups who are unable to submit written comments on the draft fourth review of the 2017/2018 to 2021/2022 Integrated Development Plan (IDP), the draft 2021/2022 to 2023/2024 Multi-year Medium Term Revenue and Expenditure Framework (MTREF), the Service Delivery and Budget Implementation Plan (SDBIP) and/or the draft 2019/2020 Annual Report, may seek the assistance of the persons indicated above, to have their input or comments recorded and submitted to the District Municipality.

Enquiries may be directed to: Municipal Manager, Cape Winelands District Municipality, P.O. Box 100, Stellenbosch, 7599, telephone 0861 265 263, fax 023 342 8442 or via e-mail: admin@capewinlands.gov.za

HF PRINS
MUNICIPAL MANAGER

Cape Winelands
District Municipality
46 Alexander Street
Stellenbosch 7600



ISAZISO

INGXELO YONYAKA ESAQULUNQWAYO YOWAMA-2019/2020

UVAVANYO KWAKHONA LWESINE OLUSAQULUNQWAYO LOWAMA-2017/2018 UKUYA KOWAMA-2021/2022 LWESICWANGCISO SOPHUHLISO ESIHLANGENEYO (IDP)

ISICWANGCISO-NKQUBO ESIYILWAYO SESITHUBA ESIPHAKATHI SENGENISO NENKCIITHO (MTREF) SEMINYAKA YAMA-2021/2022 UKUYA KOWAMA-2023/2024 KUNYE NESICWANGCISO SONIKEZELO LWENKONZO NOMILISELO LOHLAHO LWABIWO-MALI (SDBIP)

Ukwenjenje kukunika isaziso ngokungqinelana namacandelo 22(a), u-121 no-129(3) omthetho uMthetho kaRhulumente woLawulo lweMali kaMasipala, 2003 (uMthetho No. 56 ka-2003) kunye nommiselo 3(4)(b) wemimiselo UMasipala: iMimiselo yoCwangciso lukaMasipala noLawulo lokuSebenza, 2001 ofundwa kunye necandelo 21(A) lomthetho UMasipala: uMthetho weeNkqubo zikaMasipala, 2000 (uMthetho onguNombolo 32 wama-2000) ukuba iBhunga kuMba C.15.1 ngowama-25 kuMatshi 2021, sivume uyilo lwesine lokuphononngwa kwesicwangciso sika-2017/2018 ukuya ku-2021/2022 esiCwangciso soPhuhliso oluHlanganisiweyo (IDP), idrafti yowama-2021/2022 ukuya kowama-2023/2024, unyaka-mali wamaKeshu aPhakathi kunye neNkqubo-sikhokelo yeNkciitho (MTREF) kaMasipala weSithili seCape Winelands (CWDM) ngokunjalo nesiCwangciso sokuPhunyezwa kokuNikezelwa kweNkonzo kunye noHlahlo lwabiwo-mali (SDBIP).

Kunikwa isaziso esingaphezulu ngokungqinelana necandelo 21A lomthetho UMasipala: uMthetho weeNkqubo zikaMasipala, 2000 (uMthetho No. 32 ka-2000), ofundwa kunye necandelo 127(5)(a) lomthetho UMasipala: uMthetho woLawulo lweMali kaMasipala, 2003 (uMthetho No. 56 ka-2003) sokuba ingxelo yoNyaka esayilwayo ka-2019/2020 yandlalwa kwibhunga kuMba C.14.1 ngowama-25 kuMatshi 2021.

Uvavanyo kwakhona oluluyilo lwesine lowama-2017/2018 ukuya kowama-2021/2022 i-isiCwangciso esiHlangeneyo soPhuhliso (IDP), isicwangciso-nkqubo esayilwayo wama-2021/2022 ukuya kowama-2023/2024 umgaqo-sikhokelo ojongene nenkciitho isiCwangciso-nkqubo seNgeniso neNkciitho seSithuba esiPhakathi seMinyaka ngeMinyaka (MTREF), isiCwangciso sokuNikezelwa kweNkonzo noMiliselo loHlahlo lwabiwo-mali (SDBIP) kwakunye neNgxelo yoNyaka esayilwayo yowama-2019/2020 iyafumaneka ukwenzela ukuba ibekwe esweni kwii-ofisi ezikhankanywe ngezantsi kuMasipala wesiThili saseCape Winelands kwakunye nakwiwebhusayithi apha kuMasipala wesiThili saseCape Winelands (CWDM) kule dileti www.capewinlands.gov.za:

- Stellenbosch (29 Du Toit Street): Nks. A.I. Issel
- Worcester (51 Trappes Street): Nks. R.V.F. Robinson
- Paarl (194 Main Street): Nks. M. Marang
- Ceres (27 Munnik Street): Nks. C. Louw
- Robertson (40 Van Reenen Street): Mnu. N.L. Wehr
- Montagu (50A Bath Street): Nks. C.E. Marais.

Amaxwebhu ovalakalo-zimvo zoluntu, amagqabantshintshi namagalelo amakalwa novavanyo ngokutsha olusayilwayo lwesine lowama-2017/2018 ukuya kwisicwangciso sowama-2021/2022 isiCwangciso esiHlangeneyo soPhuhliso (IDP), isicwangciso-nkqubo esayilwayo sowama-2021/2022 ukuya kowama-2023/2024 isiCwangciso-nkqubo seNgeniso neNkciitho seSithuba esiPhakathi seMinyaka ngeMinyaka (MTREF), isiCwangciso sokuNikezelwa kweNkonzo noMiliselo loHlahlo lwabiwo-mali (SDBIP) kunye neNgxelo yoNyaka esayilwayo yowama-2019/2020 aya kunikwa ingqwalaselo yokuvunywa ngokusesikweni liBhunga ngowama-27 kuMeyi 2021, kufuneka afike kwiiOfisi yoLawulo kaMasipala phambi kwentsimbi ye-12:00 emini emaqanda ngolwesiHlanu, wama-30 ku-Apreli 2021.

Nawuphi na umntu ongakwaziyo ukufunda okanye ukubhala, abantu abakubazekayo kunye nabantu abasuka kumaqela ayevinjwe amathuba ngaphambili abangenako ukungenisa amagqabantshintshi abhaliweyo ngokumalunga novavanyo ngokutsha olusayilwayo lwesine lowama-2017/2018 ukuya kowama-2021/2022 isiCwangciso esiHlangeneyo soPhuhliso (IDP), uyilo lowama-2021/2022 ukuya kowama-2023/2024 isiCwangciso-nkqubo seNgeniso neNkciitho seSithuba esiPhakathi seMinyaka ngeMinyaka (MTREF), isicwangciso isiCwangciso sokuNikezelwa kweNkonzo noMiliselo loHlahlo lwabiwo-mali (SDBIP) kunye/okanye iNgxelo yoNyaka esayilwayo yowama-2019/2020, unokufuna uncedo kubantu abahlalwe ngezantsi, ukwenzela ukuba amagalelo abo okanye amagqabantshintshi arekhodwe yaye angeniswe kuMasipala weSithili.

Imibuzo inokubhekiswa kulo:- Municipal Manager, Cape Winelands District Municipality, P.O. Box 100, Stellenbosch, 7599, ifoni 0861 265 263, ifekesi 023 342 8442 okanye i-imeyili: admin@capewinlands.gov.za

H.F. PRINS
UMLAWULI KAMASIPALA

UMasipala wesiThili saseCape
Winelands
46 Alexander Street
Stellenbosch 7600



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 2019/20 ANNUAL REPORT

1. INTRODUCTION

Section 121(1) of the Municipal Finance Management Act (MFMA) (Act No. 56 of 2003) states that every municipality and every municipal entity must prepare an annual report for each financial year. 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. MFMA sections 121(3) and (4) sets out the framework relating to the content of the annual reports for both municipalities and municipal entities.

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.

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.

Cognisance of the prolonged impact of COVID-19 on municipal planning, budgeting and reporting efforts, the National Minister of Finance (through proclamation in Government Gazette No. 43582) provided a 2-month extension to Section 126(1) & (2), S127(1) & (2), 129(1) and S133(2) of the MFMA insofar it relates to the 2019/20 municipal financial year. The deadline for the mayor to table the (draft) annual report in council therefore shifted from the prescribed seven (7) months [S127(2)] to nine (9) months i.e. not the end of January 2021, but the end of March 2021. The revised timeframes were communicated to all municipalities via MFMA Circular No 104 of 2020 (7 August 2020).

Provincial Treasury reminded all municipalities of this responsibility on 14 January 2021 and reiterated the requirement in Treasury Circular No 5 of 2021 (17 March 2021).

2. LEGISLATIVE COMPLIANCE

The conformance assessment highlights compliance by the Municipality with the MFMA and MFMA Circular 63 as follows:

- a. The annual report was tabled before Council on 25 March 2021, which is within the deadline prescribed in MFMA Circular 104.
- b. The draft annual report was placed on the website within 5 days after tabling in council in accordance with section 75 of the MFMA.
- c. The public was invited to comment on the Annual Report by 30 April 2021.
- d. The tabled annual report was made available for public consideration via placement on the municipal website. The public was requested to make written and electronic submissions.
- e. The Municipality's tabled annual report has been compiled in line with the format proposed in MFMA Circular 63 and all required appendices have been included.

3. SERVICE DELIVERY PERFORMANCE

The Municipality's approved 2019/20 SDBIP contained a total of 38 performance indicators. During the adjustments budget process, the actual number of targets was revised to 33.

| Strategic Objective | Number of targets as per Adjusted SDBIP | Number of targets achieved | Number of targets <u>not</u> 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 | 11 | 10 | 1 |
| Promoting sustainable infrastructure services and a transport system which fosters social and economic opportunities | 9 | 5 | 4 |
| Providing effective and efficient financial and strategic support services to the CWD Municipality | 13 | 11 | 2 |
| TOTAL | 33 | 26 | 7 |

The Municipality achieved 26 out of the 33 (78.8 per cent) performance indicators set for the year under review. This equates to a 21.2 per cent variance between planned and actual performance. This is an improvement on the previous years' performance where the Municipality achieved 84.2 per cent of its targets.

The majority of targets not achieved are related to the SO2: 'Promoting sustainable infrastructure services and a transport system which fosters social and economic opportunities". 4 of the 9 targets set for the year were not achieved. The draft annual report does provide reasons for the variances and provides corrective measures that will be implemented to ensure improved performance going forward.

The non-achievement of certain targets due to the National lockdown implemented as a result of the Covid-19 pandemic is noted.

4. AUDITOR GENERAL FINDINGS

The Municipality has for the 2019/20 financial year achieved a clean audit report as well as for the previous 7 years.

5. CONCLUSION AND RECOMMENDATIONS

The Municipality adhered to all the requirements of the MFMA (and revised timeframes) insofar the timeous development, tabling and submission of the draft annual report is concerned.

Non-financial performance is has deteriorated from the previous year, however the impact of Covid-19 on performance is taken into account.

The annual report extensively covers strategic and technical performance data, information is presented in such a manner that allows for easy interpretation by industry role-players and the general public alike.

In conclusion, the Municipality is reminded of its responsibility to finalise and adopt the annual report and the oversight report by no later than two months from the date on which the annual report was tabled before council in terms of section 127 of the MFMA.

Kind regards



MS N RINQUEST
DIRECTOR (ACTING): LOCAL GOVERNMENT BUDGET OFFICE
DATE: 30 April 2021

Nangamso Sigwela

From: Elrina Marais
Sent: Monday, 03 May 2021 10:00
To: Nangamso Sigwela
Subject: RE: Public submissions/comments on the draft 2019/2020 Annual report

Montagu Office - no comments

From: Nangamso Sigwela
Sent: 03 May 2021 09:58 AM
To: Myrtle Marang; Elrina Marais; Roxanne Robinson; Nayan Lendon Wehr; Christelle Louw; Adelaide Issel
Cc: Sean O'Neill
Subject: Public submissions/comments on the draft 2019/2020 Annual report

Good Morning Colleagues

I hope this finds you well.

Could you please indicate whether you have received any public submissions/comments on the draft 2019/2020 annual report.

Kind Regards
Nangamso

Nangamso Sigwela
Deputy Director:Performance & Risk Management
Cape Winelands District Municipality



0612845074



nangamso@capewinelands.gov.za

www.capewinelands.gov.za



CAPE WINELANDS
DISTRICT MUNICIPALITY - MIMBESIDA LETI



REPORT WILD FIRE
021 887 444
CORONAVIRUS/COVID-19
HOTLINE: 0800 02
WHATSAPP: 060 01

Nangamso Sigwela

From: Myrtle Marang
Sent: Monday, 03 May 2021 10:00
To: Nangamso Sigwela
Subject: RE: Public submissions/comments on the draft 2019/2020 Annual report

Good day Nangamso

Paarl Office have not jet receive any comments.

Kind regards

Myrtle

From: Nangamso Sigwela <nangamso@capewinlands.gov.za>
Sent: Monday, 03 May 2021 09:58
To: Myrtle Marang <Myrtler@capewinlands.gov.za>; Elrina Marais <elrina@capewinlands.gov.za>; Roxanne Robinson <Roxanne@capewinlands.gov.za>; Nayan Lendon Wehr <nayanlw@capewinlands.gov.za>; Christelle Louw <christelle@capewinlands.gov.za>; Adelaide Issel <Adelaide@capewinlands.gov.za>
Cc: Sean O'Neill <Sean@capewinlands.gov.za>
Subject: Public submissions/comments on the draft 2019/2020 Annual report

Good Morning Colleagues

I hope this finds you well.

Could you please indicate whether you have received any public submissions/comments on the draft 2019/2020 annual report.

Kind Regards
Nangamso

Nangamso Sigwela
Deputy Director:Performance & Risk Management
Cape Winelands District Municipality



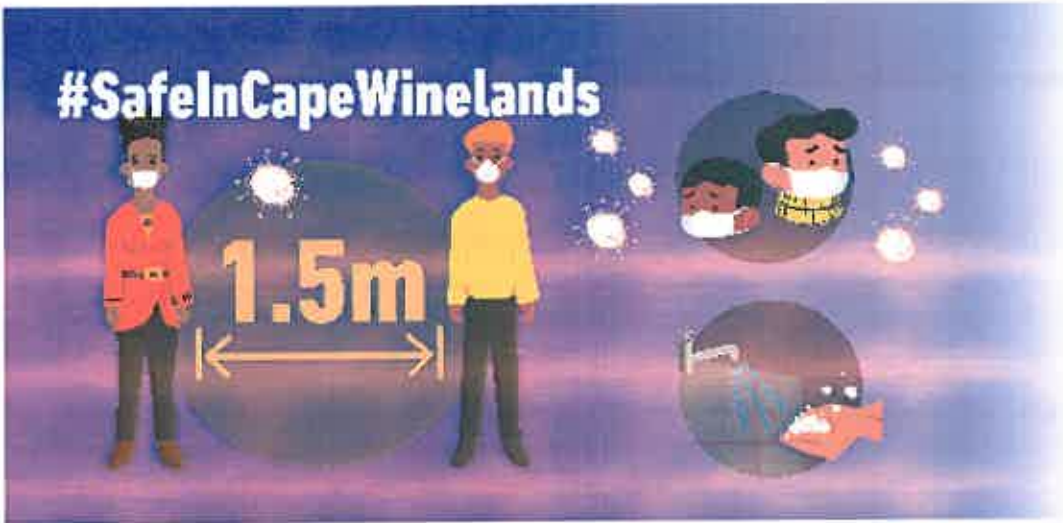
0612845074



nangamso@capewinlands.gov.za



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CAPE WINELANDS
W. NIC DALLITZ - W. JENKINS & ITPI



REPORT WILD FIRE
021 887 444

CORONAVIRUS/COVID-19
HOTLINE: 0800 02
WHATSAPP: 060 01

Nangamso Sigwela

From: Christelle Louw
Sent: Monday, 03 May 2021 10:01
To: Nangamso Sigwela
Subject: RE: Public submissions/comments on the draft 2019/2020 Annual report

Good Morning

Ceres received no comments.

Christelle

From: Nangamso Sigwela <nangamso@capewinlands.gov.za>
Sent: Monday, 03 May 2021 9:58 AM
To: Myrtle Marang <Myrtler@capewinlands.gov.za>; Elrina Marais <elrina@capewinlands.gov.za>; Roxanne Robinson <Roxanne@capewinlands.gov.za>; Nayan Lendon Wehr <nayanlw@capewinlands.gov.za>; Christelle Louw <christelle@capewinlands.gov.za>; Adelaide Issel <Adelaide@capewinlands.gov.za>
Cc: Sean O'Neill <Sean@capewinlands.gov.za>
Subject: Public submissions/comments on the draft 2019/2020 Annual report

Good Morning Colleagues

I hope this finds you well.

Could you please indicate whether you have received any public submissions/comments on the draft 2019/2020 annual report.

Kind Regards
Nangamso

Nangamso Sigwela
Deputy Director:Performance & Risk Management
Cape Winelands District Municipality



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0612845074



nangamso@capewinlands.gov.za



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**REPORT WILDLIFE
021 887 444**
**CORONAVIRUS/CORONA
HOTLINE: 0800 02
WHATSAPP: 0600 01**

Nangamso Sigwela

From: Roxanne Robinson
Sent: Monday, 03 May 2021 10:23
To: Nangamso Sigwela
Subject: RE: Public submissions/comments on the draft 2019/2020 Annual report

Morning

None from my side

From: Nangamso Sigwela <nangamso@capewinlands.gov.za>
Sent: Monday, 03 May 2021 09:58
To: Myrtle Marang <Myrtler@capewinlands.gov.za>; Elrina Marais <elrina@capewinlands.gov.za>; Roxanne Robinson <Roxanne@capewinlands.gov.za>; Nayan Lendon Wehr <nayanlw@capewinlands.gov.za>; Christelle Louw <christelle@capewinlands.gov.za>; Adelaide Issel <Adelaide@capewinlands.gov.za>
Cc: Sean O'Neill <Sean@capewinlands.gov.za>
Subject: Public submissions/comments on the draft 2019/2020 Annual report

Good Morning Colleagues

I hope this finds you well.

Could you please indicate whether you have received any public submissions/comments on the draft 2019/2020 annual report.

Kind Regards
Nangamso

Nangamso Sigwela
Deputy Director:Performance & Risk Management
Cape Winelands District Municipality



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nangamso@capewinlands.gov.za



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CAPE WINELANDS
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021 887 444
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HOTLINE: 0800 02
WHATSAPP: 0800 01

Nangamso Sigwela

From: Adelaide Issel
Sent: Monday, 03 May 2021 10:37
To: Nangamso Sigwela
Subject: RE: Public submissions/comments on the draft 2019/2020 Annual report

Nothing.

From: Nangamso Sigwela <nangamso@capewinelands.gov.za>
Sent: Monday, 03 May 2021 09:58
To: Myrtle Marang <Myrtler@capewinelands.gov.za>; Elrina Marais <elrina@capewinelands.gov.za>; Roxanne Robinson <Roxanne@capewinelands.gov.za>; Nayan Lendon Wehr <nayanlw@capewinelands.gov.za>; Christelle Louw <christelle@capewinelands.gov.za>; Adelaide Issel <Adelaide@capewinelands.gov.za>
Cc: Sean O'Neill <Sean@capewinelands.gov.za>
Subject: Public submissions/comments on the draft 2019/2020 Annual report

Good Morning Colleagues

I hope this finds you well.

Could you please indicate whether you have received any public submissions/comments on the draft 2019/2020 annual report.

Kind Regards
Nangamso

Nangamso Sigwela
Deputy Director: Performance & Risk Management
Cape Winelands District Municipality



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DISTRICT MUNICIPALITY



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021 887 444
CORONAVIRUS/COVID-19
HOTLINE: 0800 02
WHATSAPP: 060 01

Nangamso Sigwela

From: Nayan Lendon Wehr
Sent: Monday, 03 May 2021 10:37
To: Nangamso Sigwela
Subject: RE: Public submissions/comments on the draft 2019/2020 Annual report

Good morning Nangamso

I have not received any comments.

Kind regards

From: Nangamso Sigwela <nangamso@capewinlands.gov.za>
Sent: Monday, 03 May 2021 09:58
To: Myrtle Marang <Myrtler@capewinlands.gov.za>; Elrina Marais <elrina@capewinlands.gov.za>; Roxanne Robinson <Roxanne@capewinlands.gov.za>; Nayan Lendon Wehr <nayanlw@capewinlands.gov.za>; Christelle Louw <christelle@capewinlands.gov.za>; Adelaide Issel <Adelaide@capewinlands.gov.za>
Cc: Sean O'Neill <Sean@capewinlands.gov.za>
Subject: Public submissions/comments on the draft 2019/2020 Annual report

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I hope this finds you well.

Could you please indicate whether you have received any public submissions/comments on the draft 2019/2020 annual report.

Kind Regards
Nangamso

Nangamso Sigwela
Deputy Director:Performance & Risk Management
Cape Winelands District Municipality



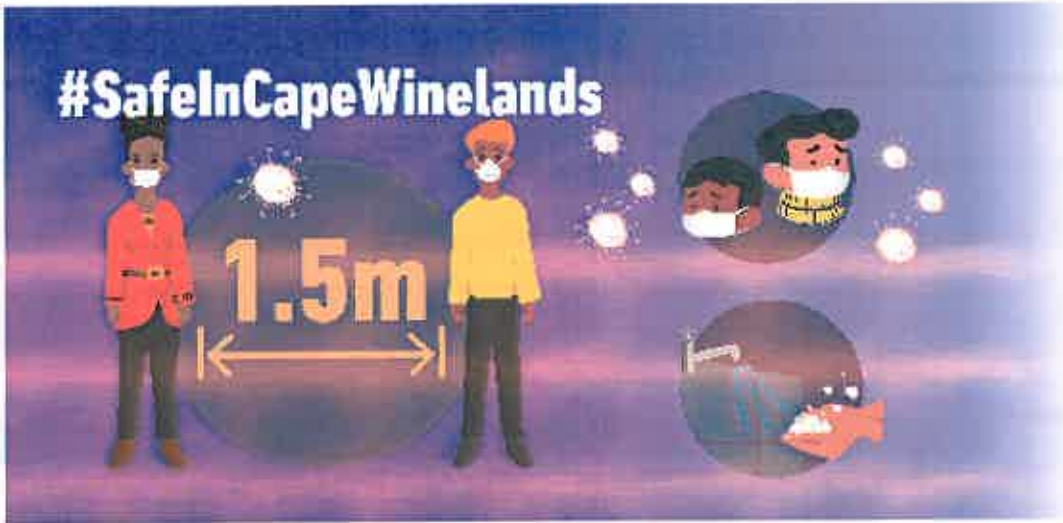
0612845074



nangamso@capewinlands.gov.za



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CAPE WINELANDS
W: 617 DALRY W: 61819 & 1771



REPORT WILD F
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CORONAVIRUS/CI
HOTLINE: 0800 02
WHATSAPP: 060 01

AG's Review of the 2019/2020 Draft Annual Report

Page Comments

- table of content- the reference to 3.5 is not on indicated 3.1-3.4 and 3.6 has been
2 documented
- 7 Roads gravelled should be 5.94 instead of 36.49 documented
resealing should be 36.49 instead of 7.44 documented
solar geysers installed should be 100 instead of 86 documented
- 10 Roads gravelled should be 5.94 instead of 36.49 documented
resealing should be 36.49 instead of 7.44 documented
solar geysers installed should be 100 instead of 86 documented
- 1.5 The **Grants** budgeted and adjusted amounts does not tie to page 9 on the audited AFS-
11 statement of budget- statement of financial performance
- 1.5.The actual, budgeted and adjusted amounts for **expenditure** does not tie to page 9 on
the audited AFS- statement of budget- statement of financial performance
- 161 skill development levy is 1435 541 instead of 1 510 000 documented
The highlighted amounts are not the same as per statement of budget amounts on the
173 audited afs. This will also affect the percentages

| FINANCIAL SUMMARY | | | | | | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| Description | 2018/2019 | 2019/2020 | | | 2019/2020 Variance | |
| | Actual | Original Budget | Adjusted Budget | Actual | Original Budget | Adjustment Budget |
| Financial Performance | | | | | | |
| Property Rates | - | | | | | |
| Service Charges | 136 065 | 200 000 | 200 000 | 111 143 | 44% | 44% |
| Investment Revenue | 54 293 664 | 56 000 000 | 56 500 000 | 55 405 905 | 1% | 2% |
| Transfers recognised - operational | 232 336 811 | 241 135 000 | 244 146 703 | 239 491 371 | 1% | 2% |
| Other own revenue | 125 611 079 | 143 470 045 | 141 470 790 | 119 987 972 | 16% | 15% |
| Total Revenue (excluding capital transfers and contributions) | 412 377 619 | 440 805 045 | 442 317 493 | 414 996 391 | 6% | 6% |
| Employee costs | 178 158 519 | 225 734 535 | 225 514 648 | 202 286 175 | 10% | 10% |
| Remuneration of Councillors | 12 171 102 | 13 267 830 | 13 322 726 | 12 610 029 | 5% | 5% |

| Statement of Expenditure | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 20% | 20% |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------|--------------|
| Depreciation and asset impairment | 10 306 106 | 10 005 693 | 11 976 532 | 8 508 350 | 15% | 29% |
| Other expenditure | 158 664 127 | 194 777 002 | 184 626 245 | 144 822 496 | 26% | 22% |
| Total Expenditure | 359 299 854 | 443 785 060 | 435 440 151 | 368 227 050 | 17% | 15% |
| Surplus/(Deficit) | 53 077 765 | (2 980 015) | 6 877 342 | 46 769 341 | 1669% | -580% |
| Transfers recognised - capital | - | 6 427 500 | 1 241 743 | 136 237 | | |
| (Loss)/Gain on disposal of assets and | | | | | | |

5.6 The highlighted amounts are not the same as per statement of budget amounts on the 177 audited afs. This will also affect the percentages

| | | | | | |
|--|-------------|-------------|-------------|-------------|------|
| Service charges - refuse revenue | | | | | |
| Service charges - other | 136 065 | 200 000 | 200 000 | 111 143 | 44% |
| Rental of facilities and equipment | 248 345 | 131 000 | 240 000 | 229 975 | -76% |
| Interest earned - external investments | 54 293 664 | 56 000 000 | 56 500 000 | 55 405 905 | 1% |
| Interest earned - outstanding debtors | - | - | - | - | - |
| Dividends received | - | - | - | - | - |
| Fines | 0 | 0 | 69 750 | 69 750 | - |
| Licences and permits | - | 250 000 | 290 000 | 647 865 | - |
| Agency services | 110 343 115 | 128 201 955 | 125 329 000 | 107 750 201 | 16% |
| Transfers recognised - operational | 232 336 811 | 241 135 000 | 244 146 703 | 239 491 371 | 1% |
| Other income | 15 019 619 | 14 887 090 | 15 542 040 | 11 290 180 | 24% |

cash flow- all the amounts on the original budget column is not as per audited amounts as 179 per the statement of budget- cash flow

AC report

Par 3.1- last bullet is not applicable as there was no adjustments from the audit

2

- Significant adjustment resulting from the audit.

185 no report as yet as its stated it will be available in May

The highlighted amounts are not the same as per statement of budget amounts on the 209 audited afs. This will also affect the percentages

| | | | | | |
|---|-------------|-------------|-------------|-------------|----|
| Service charges – other | 136 065 | 200 000,00 | 200 000,00 | 111 143 | |
| Rental of facilities and equipment | 248 345,00 | 131 000,00 | 240 000,00 | 229 975,00 | |
| Interest earned – external investments | 54 293 664 | 56 000 000 | 56 500 000 | 55 405 905 | |
| Interest earned – outstanding debtors | - | - | - | - | |
| Dividends received | - | - | - | - | |
| Fines | - | - | 69 750,00 | 69 750,00 | |
| Licences and permits | - | 250 000,00 | 290 000,00 | 647 865,24 | -1 |
| Agency services | 110 343 115 | 128 201 955 | 125 329 000 | 107 750 201 | |
| Transfers recognised – operational | 232 336 811 | 241 135 000 | 244 146 703 | 239 491 371 | |
| Other income | 15 019 619 | 14 887 090 | 15 542 040 | 11 290 180 | |
| Total Revenue | | | | | |
| (excluding capital transfers and contributions) | 412 377 619 | 440 805 045 | 442 317 493 | 414 996 391 | |

AFS

Note 45 (B-BBEE Performance) in the annual financial statements indicates that:

"Information on compliance with the B- BBEE Act is included in the annual report under the section B- BBEE Compliance Performance Information."

However the annual report does not have B-BBEE Compliance performance Information section.

ANNEXURE 'C'

COUNCIL MEETING MINUTES – 25 MARCH 2021

**MPAC REVIEW OF 2019/2020 DRAFT ANNUAL REPORT AND
MANAGEMENT RESPONSE**

| NO. | QUESTION | MANAGEMENT RESPONSE |
|------------|---|--|
| 1. | Is there an action plan to rectify the Auditor General's findings | Yes, see annexure A of the Oversight report. |

ANNEXURE 'D'

**MPAC REVIEW OF 2019/2020
DRAFT ANNUAL REPORT
(QUESTIONS AND FEEDBACK
FROM ADMINISTRATION)**

**MPAC REVIEW OF 2019/2020 DRAFT ANNUAL REPORT AND
MANAGEMENT RESPONSE**

| NO. | QUESTION | MANAGEMENT RESPONSE |
|------------|---|--|
| 1. | Is there an action plan to rectify the Auditor General's findings | Yes, see annexure A of the Oversight report. |