



Annual Report

2020/21

Table of Contents

CHAPTER 1	6
1.1 MAYOR'S FOREWORD	7
1.2 MUNICIPAL MANAGER'S FOREWORD	8
1.3 HIGHLIGHTS FOR THE 2020/21 FINANCIAL YEAR – SERVICE DELIVERY	9
1.4 MUNICIPAL OVERVIEW – DEMOGRAPHICS	10
1.5 MUNICIPAL OVERVIEW – FINANCIAL HEALTH FINANCIAL OVERVIEW	11
1.6 MUNICIPAL OVERVIEW – ORGANISATIONAL DEVELOPMENT	11
CHAPTER 2 – GOVERNANCE	13
COMPONENT A: INTRODUCTION TO GOVERNANCE	13
COMPONENT B: INTER-GOVERNMENTAL RELATIONS	18
COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION	19
COMPONENT D: CORPORATE GOVERNANCE	22
CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART 1)	24
3.1 INTRODUCTION	24
3.2 SUMMARY OF CAPE WINELANDS ORGANISATIONAL KEY PERFORMANCE INDICATORS.....	27
3.3 NATIONAL KEY PERFORMANCE AREAS 2020/21	43
3.4 PERFORMANCE IMPROVEMENT MEASURES	45
3.5 SUPPLIER PERFORMANCE.....	46
3.6 AG OUTCOMES	48
COMPONENT A: BASIC SERVICES.....	49
COMPONENT B: ROAD TRANSPORT	51
COMPONENT C: PLANNING AND DEVELOPMENT	58
COMPONENT D: COMMUNITY AND SOCIAL SERVICES	73
COMPONENT E: SPORTS AND RECREATION	77
COMPONENT F: MUNICIPAL HEALTH SERVICES	78

COMPONENT G: ENVIRONMENTAL PROTECTION	87
COMPONENT H: SECURITY AND SAFETY	94
COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES	101
CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II).....	106
COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL	109
COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE	115
COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE	135
CHAPTER 5 – FINANCIAL PERFORMANCE.....	144
COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE.....	145
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET	148
COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS	151
COMPONENT D: OTHER FINANCIAL MATTERS	152
CHAPTER 6 – AUDITOR-GENERAL’S FINDINGS.....	154
CHAPTER 7 – ANNUAL FINANCIAL STATEMENTS.....	155
CHAPTER 8 – AUDIT COMMITTEE REPORT	156
CHAPTER 9 – OVERSIGHT REPORT AND COUNCIL APPROVAL.....	157
GLOSSARY.....	158
APPENDICES	160
APPENDIX A – COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE	160
APPENDIX B – COMMITTEES AND PURPOSES OF COMMITTEES	163
APPENDIX C – THIRD-TIER ADMINISTRATIVE STRUCTURE	165
APPENDIX D – FUNCTIONS OF A DISTRICT MUNICIPALITY	166
APPENDIX E – RECOMMENDATIONS OF THE MUNICIPAL AUDIT PERFORMANCE AND AUDIT COMMITTEE 2020/21	168
APPENDIX F – DISCLOSURES OF FINANCIAL INTERESTS	169
APPENDIX G (I) – REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE	179
APPENDIX G (II) – REVENUE COLLECTION PERFORMANCE BY SOURCE	180

ABBREVIATIONS

Abbreviation	Description
AEL	Atmospheric Emission Licence
AIDS	Acquired immune deficiency syndrome
AQMP	Air Quality Management Plan
AQO	Air Quality Officer
CAE	Chief Audit Executive
CSD	Central supplier database
CWDM	Cape Winelands District Municipality
CWDMC	Cape Winelands Disaster Management Centre
CW-RSEDS	Cape Winelands Regional Socio-Economic Development Strategy
EEM	Employee Efficiency Monitoring Tool
EPWP	Expanded Public Works Programme
ERM	Enterprise risk management
FARMCO	Fraud and Risk Management Committee
GRAP	Generally recognised accounting practice
HIV	Human immunodeficiency virus
IDDRR	International Day for Risk Reduction
IDP	Integrated Development Plan
IT	Information technology
JOC	Joint Operation Committee
KPI	Key performance indicator
LEPO	Law Enforcement by Peace Officers
MFMA	Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003)
MHS	Municipal Health Services
MIG	Municipal Infrastructure Grant
MSA	Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)
MSAT	Multi Sectoral Action Team
NEMA	National Environmental Management Act, 1998 (Act No. 107 of 1998)
NGO	Non-governmental organization
PGWC	Provincial Government of the Western Cape
PTIG	Public Transport Infrastructure Grant
PTNOG	Public Transport Network Operation Grant
SALGA	South African Local Government Association
SANS	South African National Standards
SCM	Supply chain management
SDBIP	Service Delivery and Budget Implementation Plan
SDPs	Skills Development Providers
SMME	Small, medium and micro-sized enterprise
SPLUMA	Spatial Planning Land Use Management Act, 2013 (Act No. 16 of 2013)
WCG: DCAS	Western Cape Government: Department of Cultural Affairs and Sport
WCG: DEA&DP	Western Cape Government: Department of Environmental Affairs and Development Planning
WCG: DEDAT	Western Cape Government: Department of Economic Development and Tourism
WCG: DSD	Western Cape Government: Department of Social Development
WCG: DLG	Western Cape Government: Department of Local Government
WCG: DT&PW	Western Cape Government: Department of Transport and Public Works
QCTO	Quality Council for Trades and Occupations

Map of Cape Winelands District



1.1 MAYOR'S FOREWORD



Dear Reader,

The COVID-19 pandemic is what the 2020/2021 financial year will be remembered for in years to come. As it swept across the world, unprecedented measures were employed to contain and prevent the spread of the virus. Never before have we experienced a phenomenon that had such a direct impact on all of us and our livelihoods. In South Africa, national lockdown protocols to prevent the spread of COVID-19 dealt a significant blow to the already fragile economy as well as service delivery.

However, in line with regulations, our response to the COVID-19 pandemic prioritised the safety and livelihoods of our employees through focus on safety in the workplace and job preservation. In so far as the Cape Winelands community goes, we stepped up to its responsibility through a wide range of contributions to help fight and alleviate the impact of the COVID-19 pandemic on our people and communities.

In a year of unprecedented uncertainty caused by the COVID-19 pandemic, the Cape Winelands District Municipality achieved exceptional results. Despite the adverse conditions, I am very pleased with the performance of this Municipality, to name but a few –

- Achievement of an eight consecutive Clean Audit opinion from the Auditor General South Africa;
- 1,566 fires fought and assistance to local municipalities on 138 occasions;
- 1,702 Hectares of alien vegetation cleared through our various projects;
- More than 3,600 kilometres of roads maintained;
- Commencement with the creation of a shared landfill site for the Breede Valley, Witzenberg and Langeberg municipalities;
- Sound financial position in terms of both solvency and liquidity ratio at year-end; and
- 14,968 work opportunities created.

The Cape Winelands District Municipality remains focused on making a positive difference in the lives of our communities. Having said that - in the extreme environment that prevailed, it was still more important than ever that we maintained our commitment to the highest standards of corporate governance.

The performance of the municipality since the relaxation of lockdown measures has been excellent. Providing the citizen with much needed services has become even more important in the current environment and the Cape Winelands District Municipality is ideally positioned to execute on this. Although the evolution of the COVID-19 pandemic and its economic impact remains uncertain, our view of the future is optimistic. As the roll-out of vaccines continues, the positive impact on the economy is being felt.

I would like to thank our employees for their loyalty, dedication and resilience during a most challenging year. I am humbled by the tireless commitment and agility of the executive team in responding to the challenges faced during the year. The Council provided the necessary oversight as we navigated our way through the COVID-19 crisis and I appreciate that sincerely. Our valued stakeholders, all of whom have borne their fair share of the burden imposed on us all by the crisis, for their steadfast support and for helping us endure the most challenging year in our history.

A handwritten signature in black ink, appearing to read 'Ald. H von Schlicht'.

Ald. H von Schlicht

EXECUTIVE MAYOR

1.2 MUNICIPAL MANAGER'S FOREWORD



Dear Reader,

The year 2020/2021 has, for all, been characterised by difficult times. Our organisation, the Cape Winelands District Municipality was not spared the wrath of COVID-19, we too had our share of positive cases and sadly, lost colleagues to the illness. As is often the case in adversity, the second year of the Pandemic presented us with opportunities.

Two methods of change management are promoted by leaders in this field, the first promulgates a longer, gentler method, while the second approach encourages, sudden implementation. There is no doubt that the adaptation to the 'new normal' caused by the pandemic, can be compared to the second approach, we have been forever changed!

The continual adaptation to the dynamic environment resulting from the regulations related to COVID-19, forced us to become agile strategic planners so that we could continue delivering on our mandates. Learning agility and growing confidence in our ability to adapt to change has led to innovative problem solving, the establishment of new collaborations and the promotion of co-ordinated approaches. Although, the Cape Winelands District Municipality has always had a good relationship with our sister organisations, the local municipalities, the pandemic has forced us to work even more closely than in the past, which in turn allowed us to improve delivery to the citizens we serve.

We are excited to report that the Cape Winelands District Municipality achieved our 8th consecutive unqualified audit with no findings, also referred to as a 'clean audit'. This achievement is directly linked to the way our mandates have been implemented and serves to confirm that our strategic objectives, and thus our service delivery, is supported effectively, efficiently, and economically.

I extend my appreciation to our Executive Mayor, Ald (Dr) Elna von Schlicht, for her support, leadership and positive representation of the Cape Winelands District Municipality. We commend her commitment to building a strong, diverse, and economically progressive District.

It is with pleasure that I submit this report as testimony to the achievements made by my colleagues. Despite, my almost 13 years of service in the capacity of Municipal Manager, the hosting of regular business continuity meetings and planning sessions, never, would I have thought of a Pandemic and its implications. It is only due to the determination, commitment and high efficiency of staff that, we have been able to ensure a safe working environment.

Notwithstanding, the implications of maintaining a distance, wearing masks and sanitizing, the Cape Winelands District Municipality remains a caring organisation. For this and so many other achievements, I express my appreciation to all councilors, management and every official in our organisation. You have raised the bar, let's keep it there!

A handwritten signature in black ink, appearing to read 'H. Prins', written on a white rectangular background.

Henry Prins

Municipal Manager

1.3 HIGHLIGHTS FOR THE 2020/21 FINANCIAL YEAR – SERVICE DELIVERY

- 120 solar geysers units installed
- 2 901 gravel roads and 700 km surfaced
- 566,7 km surfaced under contracts and 99,8 km by own staff
- 9 950 packets of sanitaryware provided to school learners across the district
- 1 110 people reached through embarking on various sporting codes across the district
- 300 people reached through international day for people with disabilities
- 200 people reached through the 16 Days of Activism campaign
- 185 more living active age programmes implemented
- 45 SMME and 14 small farmers/groupings had access to training in various financial and business management practices
- 6 workshops on 'Direct-to-the-Consumer' Wine Sales and Marketing held in collaboration with Vinpro
- 36 petrol attendants trained
- 25 hospitality training sessions
- 19 persons trained in social media, digital marketing and filming
- 17 wine farms audited for skills training programmes
- 5 tour guides received driver's licence training
- 16 people trained in disaster management and first aid
- The Academy trained 60 fire officials in HAZMAT Awareness, HAZMAT Operational and Firefighter 2
- 33 sports and recreation clubs were supported, including Boland Cricket and SAFA Cape Winelands
- 25 tourism events were supported
- 17 business retention and expansion projects in tourism were supported
- 15 tourism projects in collaboration with Local Tourism Associations were supported
- ± 35 longer-term work opportunities. Contractors and contracting teams worked for more than five months continuously
- ± 1 702 hectares cleared
- 34 992 people trained/reached in respect of community safety

1.4 MUNICIPAL OVERVIEW – DEMOGRAPHICS

Cape Winelands District: At a Glance

Demographics

Population Estimates, 2021: Actual households, 2020



Population

955 473



Households

234 696

Education

2020



Matric Pass Rate 78.4%

Learner Retention Rate 67.2%

Learner-Teacher Ratio 27.8

Poverty

2020



Gini Coefficient

0.62

Human Development Index

0.74

Health

2020/21



Primary Health Care Facilities

62

Immunisation Rate

60.6%

Maternal Mortality Ratio (per 100 000 live births)

118.3

Teenage Pregnancies - Delivery rate to women U/18

13.6%

Safety and Security

Actual number of reported cases in 2020/21



Residential Burglaries

4 537

DUI

427

Drug-related Crimes

5 337

Murder

365

Sexual Offences

752

Access to Basic Service Delivery

Percentage of households with access to basic services, 2020



Water

97.0%

Refuse Removal

79.4%



Electricity

92.3%



Sanitation

91.0%



Housing

80.8%



Road Safety

2020/21

Fatal Crashes

167

Road User Fatalities

211

Labour

2020

Unemployment Rate (narrow definition)

10.8%



Socio-economic Risks

Risk 1 Job losses

Risk 2 Low learner retention

Risk 3 Low skills base (Labour)

Largest 3 Sectors

Contribution to GDP, 2019

Finance, insurance, real estate and business services

20.2%

Wholesale & retail trade, catering and accommodation

19.44%

Manufacturing

15.6%

1.5 MUNICIPAL OVERVIEW – FINANCIAL HEALTH FINANCIAL OVERVIEW

FINANCIAL OVERVIEW

FINANCIAL OVERVIEW – 2020/21			
R'000			
Details	Approved Budget	Final Budget	Actual
Income			
Grants	250,972	250,989	245,614
Taxes, levies and tariffs	0	0	0
Other	153,264	153,247	144,914
Sub-total	404,236	404,236	390,528
Less expenditure	-404,224	-403,958	-363,563
Less (loss)/gain on disposal of assets and liabilities	-12	-187	-167
Less inventory losses/write-downs	0	-91	-91
Net Total	0	0	26,707

1.6 MUNICIPAL OVERVIEW – ORGANISATIONAL DEVELOPMENT

On 21 October 2020, the Municipal Manager approved the revised staff establishment of the CWDM and it was tabled before Council on 03 December 2020 for cognisance. The process to develop job descriptions for new, approved posts commenced. The job descriptions will firstly be submitted to the Internal TASK Job Evaluation Committee who will establish whether the job descriptions meet the criteria as specified in the approved Internal TASK Job Evaluation Policy, which was approved by Council under 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 take place once the Municipal Manager received and signed off the outcomes report from the SALGA Provincial Audit Committee. The majority of posts on the staff establishment of the Cape Winelands District Municipality have approved job descriptions.

The Regional TASK Job Evaluation Unit established under the leadership of the CWDM, which includes participating municipalities within the area of jurisdiction of the CWDM, evaluated a total of 831 posts during the period 1 July 2020 to 30 June 2021, which were subsequently submitted to the SALGA Provincial Audit Committee.

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

During the 2020/21 financial year, the following new and revised policies were presented to Management and the Employment Equity Committee for their input. All the policies were circulated to the extended Management team and to Labour for their input. Due to the COVID-19 lockdown period that followed, Labour experienced difficulty to have constituency meetings with their members to obtain their input, but labour was able to provide input from their members by 30 April 2021. The policies below will now be tabled at the next

Local Labour Forum for negotiation and/or consultation. The final input to the policies received from Labour will then subsequently be tabled together with all the policies for final approval by Council in the coming financial year:

1. Draft Revised Occupational Health and Safety Policy
2. Draft Revised Employee Assistance Programme Policy
3. Draft Revised Employee Study Aid and Leave Policy
4. Draft Revised Individual Performance Management Policy
5. Draft Medical Funds Administration Policy
6. Draft Mentoring and Coaching Policy
7. Draft Succession Planning and Career Pathing Policy
8. Draft Post-Retirement Fund Medical Aid Benefits Policy

CHAPTER 2 – GOVERNANCE

COMPONENT A: INTRODUCTION TO GOVERNANCE

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

POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

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

Section 79 Committees of the CWDM consist of the following:

- Rules Committee; and
- Municipal Public Accounts Committee.

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

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

- Training Committee; and
- Local Labour Forum.

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

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

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

AUDIT COMMITTEE

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

consists of four members from the private sector who have been appointed by Council. With reference to the CWDM Audit Charter, the Audit Committee assists the Council by providing inputs to ensure effective systems that complement service delivery, the safeguarding of municipal assets, the maintenance of financial records, risk management, information technology (IT) governance, effective corporate governance and an effective internal control system. The Audit 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 coordinator 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:
Information and Communication
Technology
Facilities Management
Project Management
Roads
Regulation of Passenger
Transport Services



Cllr A Florence
Portfolio Holder:
Sport, Arts and Culture



Ald 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 2020 TO 30 JUNE 2021

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 2020 TO 30 JUNE 2021

Number of Council resolutions:	112 (all resolutions implemented)
Number of Mayoral Committee resolutions:	Ordinary meetings – 93
Number of Mayoral Committee resolutions:	Confidential meetings – 33
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 2020/21 financial year, the Municipal Manager provided strategic and management leadership in various fields and projects.

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

The Municipal Manager identified the following focus areas:

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

Community participation in municipal decision making is of utmost importance and the Municipal Manager encouraged and created conditions for the local community to participate in the affairs of the district municipality through Integrated Development Plan (IDP) forums and meetings. During the 2020/21 financial

year, all Section 56 positions were filled. Interaction, as well as the ability to work with Section 56 appointees as an efficient management team, provided professional leadership, proving once again that the district municipality's human resources are our greatest asset. Interaction with the Executive Mayor and Portfolio Councillors has resulted in an effective governing body providing sound political leadership, which is essential for successful local governance.

The Municipal Manager had also developed a culture of municipal governance that complements formal representative government with a system of participatory governance, as such participation is required in terms of the:

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

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

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

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

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

The MSA and the Local Government: Municipal Planning and Performance Management Regulations, 2001 require municipalities to adopt a performance management system. Once the IDP and budget were prepared and approved, the Municipal Manager ensured that the district municipality had prepared its Service Delivery and Budget Implementation Plan (SDBIP) in accordance with the MFMA and MFMA

Circular 13. The SDBIP indicates performance targets and financial performance targets, and assigns responsibility to execute the respective performance targets. The district municipality assessed its performance on a regular basis and reported progress on performance against set targets to Council on a quarterly basis and ultimately presents the annual performance results in this Annual Report.

TOP ADMINISTRATIVE STRUCTURE



Mr HF Prins
Municipal Manager



Mr PA Williams
Executive Director: Community
Development and Planning
Services



Ms FA du Raan-Groenewald
Chief Financial Officer



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

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

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

INTER-GOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

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

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

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

PROVINCIAL INTERGOVERNMENTAL STRUCTURES

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

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

RELATIONSHIPS WITH MUNICIPAL ENTITIES

No municipal entities.

DISTRICT INTERGOVERNMENTAL STRUCTURES

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

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

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

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

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

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

Due to the national COVID-19 regulations, the decision was taken to rather cancel physical IDP/Budget and public participation meetings scheduled for the 2020/21 financial year to ensure everyone's safety. Municipalities invented various ways for public input so that the community could still participate in this process.

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

- An advert was placed in various local newspapers across the district.
- IDP- and budget-related documents were placed on the municipal website.
- Radio interviews (local radio stations) were held to involve the community in the process.
- CWDM Virtual Mayoral Business Breakfast – 22 April 2021 – Road Freight to Rail.
- Closing date for public comment was 30 April 2021 at 12:00.
- Cape Winelands Final Fourth Review IDP was adopted by Council on 27 May 2021.

PUBLIC MEETINGS

Communication, participation and forums

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

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

WARD COMMITTEES

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

PUBLIC MEETINGS		
Cape Winelands District Municipality	October 2020	No public participation engagements were held due to the national COVID-19 lockdown. In order to obtain inputs from the community, the municipality utilised the IDP e-mail address, social media, comment boxes and radio shows.
	April 2021	No IDP/Budget engagements were held due to the national COVID-19 lockdown. In order to obtain inputs from the community, the municipality utilised the IDP e-mail address, social media, comment boxes and radio shows.
	22 April 2021	Virtual Mayoral Business Breakfast
Stellenbosch Municipality	September 2020 and April 2021	Virtual and physical meetings were held to accommodate those community members without internet access.
Drakenstein Municipality	September 2020	Virtual and physical meetings were held to accommodate those community members without internet access.
	7-22 April 2021	Ward committee meetings were held within specific wards with the ward councillor to discuss ward priorities.
Langeberg Municipality	September 2020 and April 2021	Due to COVID-19, no community meetings were held. Ward committee meetings were held where individuals had the opportunity to complete IDP question papers and Monkey puzzles. Facebook, WhatsApp and Twitter were also used as tools.
Breede Valley Municipality	October 2020	Meeting was held with ward committees. Senior staff and Mayco joined virtually via MS Teams.
	March/April 2021	Meeting was held with ward committees. Senior staff and Mayco joined virtually via MS Teams. In four wards, full public meetings were held, but not many people attended.

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD

IDP PARTICIPATION AND ALIGNMENT

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

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

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

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

RISK MANAGEMENT

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

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

The Fraud and Risk Management Committee (FARMCO) is guided by a Terms of Reference (TOR), which is in compliance with the MFMA. The CWDM's FARMCO consists of the Municipal Manager, Executive Directors, and the Director: IDP, Performance and Risk Management, the Deputy Director: Performance and Risk Management, the Chief Audit Executive (CAE) and one independent member not employed by the municipality.

During the 2020/21 financial year, the unit was responsible for risk management awareness, facilitating quarterly reviews and updating risk registers. Although the Deputy Director: Performance and Risk Management is responsible for the coordination of risk management in the organisation, management took ownership of risks and the mitigation thereof.

ANTI-CORRUPTION AND FRAUD

Fraud and Anti-Corruption Strategy

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimise the possibility of fraud and corruption, while Section 112(1)(m)(i) of the MFMA identifies supply chain measures to be enforced to combat fraud and corruption, favouritism and unfair and irregular practices.

Section 115(1) of the MFMA states that the accounting officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimise the likelihood of corruption and fraud.

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

SUPPLY CHAIN MANAGEMENT

Overview of Supply Chain Management (SCM)

Prescribed SCM processes and procedures are in place and maintained, as per Sections 110 to 119 of the MFMA and the Supply Chain Management Regulations, 2005. The Supply Chain Management Policy was initially adopted on 23 January 2006, and is fully compliant with National Treasury's prescripts.

In order to continue to fulfil the needs identified in the CWDM's Integrated Development Plan (IDP), together with an enhanced demand management planning process, our annual procurement plan in respect of the 2021/22 budget was compiled in the third quarter of the 2020/21 financial year. The plan contains key target dates for each planned procurement initiative and was approved by Council during the approval of the final 2021/22 budget. In addition to this, the municipality introduced an initiative, namely a draft Operational Business Plan that outlines the procurement activities and spending targets intended during the coming financial year.

The municipality maintains a supplier database for the accreditation of suppliers. Suppliers are now familiar with National Treasury's Central Supplier Database (CSD) and the requirements to be registered, hence enquiries and assistance to suppliers have reduced dramatically. An invitation to register on the CSD is advertised on an annual basis, however, the municipality is still available to assist any supplier who wishes to be registered on the CSD.

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

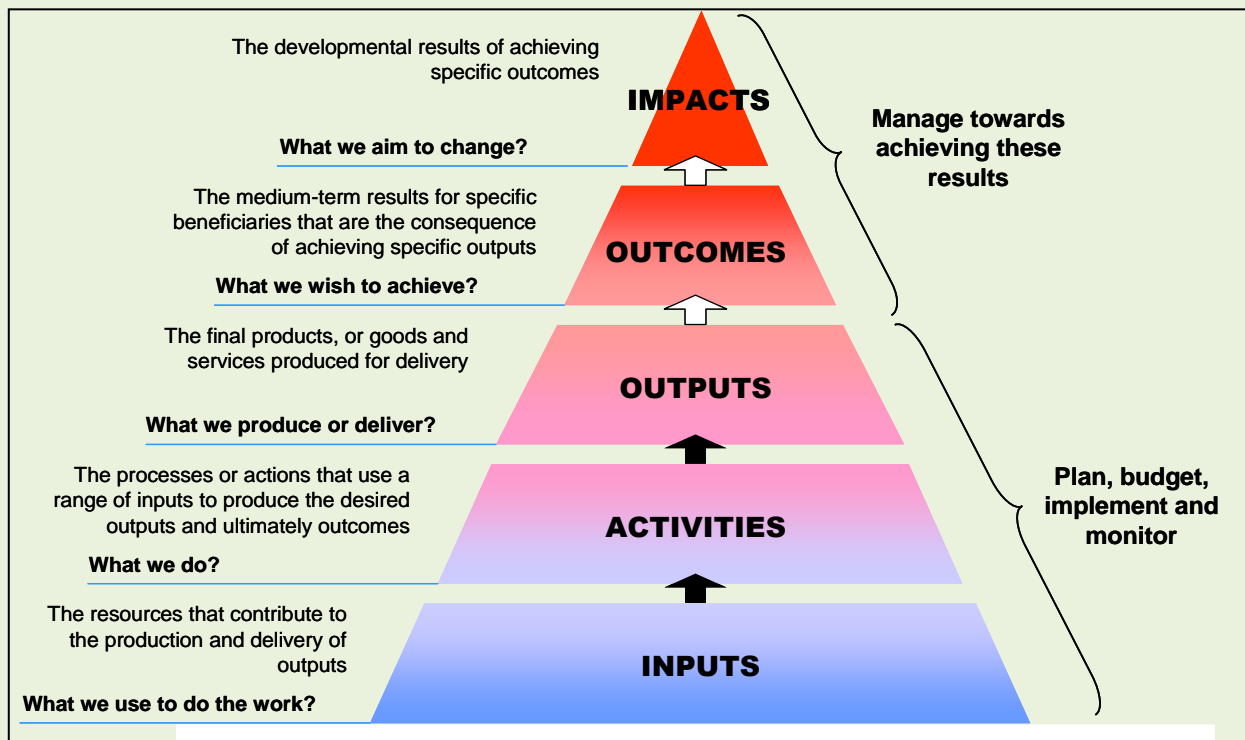
As a point of departure, it is the duty of a municipality to establish, develop and maintain a sound performance management system as prescribed in terms of Sections 38 to 40 of the MSA. In terms of Section 46(1)(a)-(c) of the MSA, a municipality must prepare for each financial year a performance report reflecting (a) the performance of the municipality and of each external service provider during that financial year; (b) a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and (c) measures taken to improve performance. The core components that underscore the performance management system established by the municipality, as prescribed by Section 41 of the MSA, are integral to the information reported upon by the municipality. Furthermore, the reflection of the key performance indicators and performance targets in the Integrated Development Plan is prescribed in terms of Section 26(i) and is aligned with the predetermined objectives as reflected in the approved 2017/18 – 2021/22 IDP.

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

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

3.1.2 Framework for managing performance information: Key concepts

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



3.1.3 Planning, budgeting and reporting

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

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

3.1.4 Financial performance per strategic objective

The tables below provide an overview of the operating, capital, and project budget amounts at an SO level for 2019/20 (budget and actual); 2020/21 (budget and actual) and 2021/22 (budget).

Operating Budget					
SO	2019/20 Budget	2019/20 Actual	2020/21 Budget	2020/21 Actual	2021/22 Budget
1	R 144 901 838	R 136 285 414	R 144 492 367	R 125 486 075	R142 772 728
2	R 168 976 191	R 134 072 910	R 160 064 082	R 135 735 736	R164 194 138
3	R 122 433 541	R 98 475 623	R 111 534 894	R 114 362 538	R120 510 428
Total	R 436 311 570	R 368 833 947	R 416 091 343	R 375 584 349	R 427 477 294

Capital Budget					
SO	2019/20 Budget	2019/20 Actual	2020/21 Budget	2020/21 Actual	2021/22 Budget
1	R7 596 375	R6 342 575	R2 106 701	R633 206	R27 388 111
2	R2 731 413	R722 247	R4 834 622	R3 493 392	R37 208 700
3	R621 040	R525 948	R1 631 686	R1 395 952	R4 091 200
Total	R 10 948 828	R 7 590 770	R8 573 009	R5 522 550	R68 688 011

Project Budget					
SO	2019/20 Budget	2019/20 Actual	2020/21 Budget	2020/21 Actual	2021/22 Budget
1	R 10 518 188	R 9 127 915	R 14 111 572	R 11 751 454	R 15 815 987
2	R 1 954 956	R 1 449 478	R 5 000 000	R 3 745 071	R 7 928 000
3	-	-	-	-	-
Total	R 12 473 144	R 10 577 393	R 19 111 572	R 15 496 525	R23 743 987

3.2 SUMMARY OF CAPE WINELANDS ORGANISATIONAL KEY PERFORMANCE INDICATORS

2019/20

SO	Original number of KPIs	Number of KPIs post-adjustment	Zero performance	Under-performance	Achieved and overachieved	Delivery as a percentage 2019/20
1	12	11	0	1	10	91%
2	12	9	0	4	5	56%
3	14	13	0	2	11	85%
Total	38	33	0	7	26	79%

2020/21

SO	Original number of KPIs	Number of KPIs post adjustment	Zero performance	Under performance	Achieved and overachieved	Delivery as a percentage 2020/21
1	12	11	0	0	11	100%
2	12	10	1	3	6	60%
3	15	15	1	3	11	73%
Total	39	36	2	6	28	78%

3.2.1 Cape Winelands District organisational key performance indicators

The organisational KPIs were revised during the Adjustment Budget, which took place in January 2021, and the following adjustments were made:

- Certain targets were adjusted to zero due to regulation 29(2), as reaching the initial target was no longer feasible given the time required to remedy the aforementioned issue.
- Quarterly performance targets were amended to align with adjusted budget figures (where applicable).

3.2.2 Cape Winelands District detailed organisational key performance indicators

The table below serves as the legend to indicate whether a KPI has been achieved:

(1) overperformance; (2) target achieved; (3) target almost achieved; (4) underperformance; or (5) zero performance.

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

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

CWD M PDO	PDO no.	Outcome Indicator	KPI no.	Key Performance Indicator	2019/ 20 Target	2019/ 20 Actual	2020/21 Annual Target and Performance		
							Annual Target	Annual Actual	Comments
1.1	1.1.1	To administer an effective environmental health management system in order to achieve the environmental health objectives set.	1.1.1.1	Monthly Report to WCG on all MHS matters by the 15th of the following month (Sinjani report).	12	12	12	12	Annual target achieved.
	1.1.2	To facilitate effective environmental pollution control through identification, evaluation and/or monitoring to prevent air pollution.	1.1.2.1	Submission of the annual Air Quality Officer Report to WCG.	1	1	1	1	Annual target achieved.
	1.1.3	To improve the livelihoods of citizens in the Cape Winelands District.	1.1.3.1	Number of water and/or sanitation subsidies granted to citizens in the Cape Winelands District.	21	25	21	23	<u>Overachievement:</u> The MHS division was able to allocate more subsidies within the allocated budget due to the tender namely "Supply, delivery and installation of VIP Toilet System tender", not approved.
1.2	1.2.1	To coordinate an effective disaster management division in order to achieve the disaster management objectives set.	1.2.1.1	Number of bi-annual Disaster Management Advisory Forums held.	2	2	2	2	Annual target achieved.
1.3	1.3.1	Effective planning and coordination of specialised firefighting services.	1.3.1.1	Pre-fire season and post-fire season reports submitted to Council for consideration for approval.	2	2	2	2	Annual target achieved.

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

CWD M PDO	PDO no.	Outcome Indicator	KPI no.	Key Performance Indicator	2019/ 20 Target	2019/ 20 Actual	2020/21 Annual Target and Performance		
							Annual Target	Annual Actual	Comments
	1.3.2	Build firefighting capacity.	1.3.2.1	Number of officials trained by the CWDM Fire Services Academy.	30	30	20	60	<u>Overachievement:</u> Additional needs were identified and the Academy could accommodate the need
1.4	1.4.1	To fulfil a coordinating role in terms of town and regional planning within the Cape Winelands District.	1.4.1.1	Annual review of CWDM's SDF, submitted to Council for consideration for approval.	0	0	0	0	Target adjusted to 0 at adjustment budget.
	1.4.2	Implement environmental management activities to achieve environmental sustainability.	1.4.2.1	Number of hectares cleared through the EPWP Invasive Alien Vegetation Management Project.	1 150	1 166	1 650	1 702	<u>Overachievement:</u> 3% more hectares were cleared as clearing activities consisted of follow-up and initial clearing project sites. Follow-up clearing sites are larger, less dense with younger plant species, therefore enabling more hectares to be cleared because of the latter.
	1.4.3	To fulfil a coordination role in terms of Economic and Tourism Development within the Cape Winelands District.	1.4.3.1	Number of LTA Forums coordinated by the CWDM.	5	4	4	5	<u>Overachievement:</u> The original target for the year was reduced in the adjustments budget from 6 to 4 due to the COVID-19 pandemic (original meetings were scheduled on a bi-monthly basis). However, new communication innovation where virtual meetings were promoted resulted in all,

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

CWD M PDO	PDO no.	Outcome Indicator	KPI no.	Key Performance Indicator	2019/ 20 Target	2019/ 20 Actual	2020/21 Annual Target and Performance		
							Annual Target	Annual Actual	Comments
									except the first, meetings to be held either virtually or in person pending on the alert level regulations applicable to tourism; and Therefore the overachievement from 4 to 5 originated.
			1.4.3.2	Number of LED Forum meetings coordinated by CWDM.	3	3	2	4	<u>Overachievement:</u> The original target for the year was reduced in the adjustments budget from 4 to 2 due to the COVID-19 pandemic (original forum meetings were scheduled on a quarterly basis). However, new communication innovation where virtual meetings were promoted resulted in all LED meetings to be held virtually; and Therefore, the over-achievement from 2 to 4 originated, resulting of all meetings being held virtually.
1.5	1.5.1	To improve the livelihoods of citizens in the Cape Winelands District.	1.5.1.1	Number of ECD centres supported by the CWDM.	20	20	30	27	<u>Underachievement:</u> Three ECDs could not be supported even though they were approved as part of the 17(3)(j) list resulting in a saving in the budget allocation.

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

CWD M PDO	PDO no.	Outcome Indicator	KPI no.	Key Performance Indicator	2019/ 20 Target	2019/ 20 Actual	2020/21 Annual Target and Performance		
							Annual Target	Annual Actual	Comments
									<p>Reasons for not funding the three ECDs:</p> <ul style="list-style-type: none"> • One SLA was not signed; • One principal died in March 2020 and thus none of the staff members were comfortable to sign the SLA; and • The bank account of the other ECD was closed and not re-opened. <p>Going forward, process will be started sooner to get necessary approvals for allocated funds.</p>
			1.5.1.2	Number of youth who complete the skills development project.	15	15	15	19	<p><u>Overachievement:</u></p> <p>There was a high demand from sector department stakeholders, for example, Department of Health, Social Development, Education and Stellenbosch Municipality to train more interns and this was within the approved budget.</p>

Strategic Objective Two: Promoting sustainable infrastructure services and a transport system that fosters social and economic opportunities

CWDM PDO	PDO no.	Outcome Indicator	KPI no.	Key Performance Indicator	2019/20 Target	2019/20 Actual	2020/21 Annual Target and Performance		
							Annual Target	Annual Actual	Comments
2.1	2.1.1	Rollout and implementation of the maintenance function and activities for proclaimed roads as an agent on behalf of the Western Cape Department of Transport and Public Works.	2.1.1.1	Conclude the annual MOA or addendum with PGWC.	1	1	1	1	Annual target achieved.
			2.1.1.2	Kilometres of roads re-sealed.	15	36,49	-	-	No target set for the 2020/21 financial year.
			2.1.1.3	Kilometres of roads bladed.	4 100	4019,33	4200	5994,16	<u>Overachievement:</u> The roads division anticipated a huge negative effect due to the COVID-19 pandemic and thus adjusted the targets downwards. This will, however, be fixed in the next financial year.
			2.1.1.4	Kilometres of roads re-gravelled.	6	5,94	6	4	<u>Underachievement:</u> The following had a negative impact on this activity: <ul style="list-style-type: none"> Distances travelled to the construction site Adverse weather conditions and COVID-19-related staff issues Going forward, different units might be used to

Strategic Objective Two: Promoting sustainable infrastructure services and a transport system that fosters social and economic opportunities

CWDM PDO	PDO no.	Outcome Indicator	KPI no.	Key Performance Indicator	2019/20 Target	2019/20 Actual	2020/21 Annual Target and Performance		
							Annual Target	Annual Actual	Comments
									scale down on the distances travelled.
2.2	2.2.1	Coordinate and improve the planning of infrastructure services in the Cape Winelands District.	2.2.1.1	Annual review, and alignment with review outcome, of the IWMP and submit to Council for consideration for approval.	0	0	1	0	<p><u>Underachievement:</u></p> <p>The IWMP was completed but not received in time to be tabled and approved by Council.</p> <p>However, it was approved at the first Council meeting of the 2021/22 financial year (July 2021).</p>
2.3	2.3.1	Improve pedestrian safety throughout the Cape Winelands District.	2.3.1.1	Annual review, and alignment with review outcome, of the DITP and submit to Council for consideration for approval.	0	1	1	1	Annual target achieved.
			2.3.1.2	Number of sidewalks and/or embayments and/or bus shelters completed or upgraded.	0	0	0	0	Target adjusted to 0 at adjustment budget.

Strategic Objective Two: Promoting sustainable infrastructure services and a transport system that fosters social and economic opportunities

CWDM PDO	PDO no.	Outcome Indicator	KPI no.	Key Performance Indicator	2019/20 Target	2019/20 Actual	2020/21 Annual Target and Performance		
							Annual Target	Annual Actual	Comments
2.4	2.4.1	To improve infrastructure services for citizens in the Cape Winelands District.	2.4.1.1	Percentage of project budget spent on rural projects.	90%	74,60%	90%	77,10%	<u>Underachievement:</u> Certain tenders could not be awarded due to the CWDM's current BAC composition. This issue has now been rectified by utilising identified staff from other municipalities
	2.4.2	To improve the livelihoods of citizens in the Cape Winelands District.	2.4.2.1	Number of schools assisted with ablution facilities and/or improved water supply.	0	0	2	3	<u>Overachievement</u> Some tenders were approved earlier than anticipated
			2.4.2.2	Number of solar geysers installed.	100	100	120	120	Annual target achieved.
			2.4.2.3	Number of sport facilities upgraded or completed and/or supplied with equipment.	6	1	7	6	<u>Underachievement:</u> Certain tenders could not be awarded due to the CWDM's current BAC composition. This issue has now been rectified by utilising identified staff from other municipalities.

Strategic Objective Two: Promoting sustainable infrastructure services and a transport system that fosters social and economic opportunities

CWDM PDO	PDO no.	Outcome Indicator	KPI no.	Key Performance Indicator	2019/20 Target	2019/20 Actual	2020/21 Annual Target and Performance		
							Annual Target	Annual Actual	Comments
2.5	2.5.1	To improve ICT governance in the Cape Winelands District Municipality.	2.5.1.1	Annual review, and alignment with review outcome, of the ICT Governance Framework and/or the ICT Strategic Plan and submit to Council for consideration for approval.	1	1	1	1	Annual target achieved.

Strategic Objective Three: Providing effective and efficient financial and strategic support services to the Cape Winelands District Municipality.

CWDM PDO	PDO no.	Outcome Indicator	KPI no.	Key Performance Indicator	2019/20 Target	2019/20 Actual	2020/21 Annual Target and Performance		
							Annual Target	Annual Actual	Comments
3.1	3.1.1	To compile a budget that is available before the start of the financial year.	3.1.1.1	Compilation of budget and submitted to Council by 31 May.	1	1	1	1	Annual target achieved.
	3.1.2	Transparent and accountable reporting to all stakeholders.	3.1.2.1	Compilation of a mid-year assessment (section 72 report), submitted to Council by 31 January.	1	1	1	1	Annual target achieved.

Strategic Objective Three: Providing effective and efficient financial and strategic support services to the Cape Winelands District Municipality.

CWDM PDO	PDO no.	Outcome Indicator	KPI no.	Key Performance Indicator	2019/20 Target	2019/20 Actual	2020/21 Annual Target and Performance		
							Annual Target	Annual Actual	Comments
	3.1.3	Fair, equitable, transparent, competitive and cost-effective SCM practices.	3.1.3.1	Submit to Council a report on the implementation of SCM (within 30 days after financial year-end).	1	1	1	1	Annual target achieved.
	3.1.4	To promote the financial viability of the CWDM through sound financial management practices.	3.1.4.1	Maintaining a sound liquidity ratio as at financial year-end.	3.8:1	15.17:1	3.8:1	16.39:1	<u>Overachievement:</u> Due to a lower than anticipated expenditure rate, an increased amount of available funds was invested.
			3.1.4.2	Maintaining a sound solvency ratio as at financial year-end.	2.8:1	4.92:1	2.8:1	4.91:1	<u>Overachievement:</u> An increase in available funds due to a lower than expected expenditure figure, resulted in a higher ratio.
3.2	3.2.1	To coordinate functional statutory and other committees.	3.2.1.1	Number of Council meetings that are supported administratively.	7	10	7	10	<u>Overachievement:</u> More Council meetings took place than initially anticipated
			3.2.1.2	Number of MAYCO meetings that are supported administratively	9	10	9	12	<u>Overachievement:</u> More Mayoral Committee meetings took place than initially anticipated
3.3	3.3.1	To capacitate a skilled and competent workforce in order to realise organisational SOs.	3.3.1.1	Number of WSP submissions to the LGSETA.	1	1	1	1	Annual target achieved.
			3.3.1.2	The percentage of CWDM's training budget	90%	92%	75%	72%	<u>Underachievement:</u>

Strategic Objective Three: Providing effective and efficient financial and strategic support services to the Cape Winelands District Municipality.

CWDM PDO	PDO no.	Outcome Indicator	KPI no.	Key Performance Indicator	2019/20 Target	2019/20 Actual	2020/21 Annual Target and Performance		
							Annual Target	Annual Actual	Comments
				actually spent on implementing its WSP.					As a result of the postponement of training interventions due to COVID-19 alert level changes, as well as unexpected delays that were experienced in the procurement of scheduled training. Despite an already proactive demand management approach, extensive planning and a more conservative approach will be applied during the adjustments budget process, taking into account time estimates for a next wave of the pandemic.
	3.3.2	Improved labour relations and informed workforce.	3.3.2.1	Number of Employment Equity Report submissions to the Department of Labour by 15 January.	1	1	-	-	
		Facilitate an administrative function in so far as it relates to labour relations.		Number of Employment Equity Report submissions to the Department of Labour.	-	-	1	1	Annual target achieved.

Strategic Objective Three: Providing effective and efficient financial and strategic support services to the Cape Winelands District Municipality.

CWDM PDO	PDO no.	Outcome Indicator	KPI no.	Key Performance Indicator	2019/20 Target	2019/20 Actual	2020/21 Annual Target and Performance		
							Annual Target	Annual Actual	Comments
	3.3.3	To manage the capital funds spent in relation to the receipt thereof for improved service delivery	3.3.3.1	The percentage of the municipality's capital budget actually spent by the end of the financial year.	90%	69,33%	80%	64%	<p><u>Underachievement:</u></p> <p>Although certain tenders were evaluated and in the process of being awarded, a key transversal audit finding in respect of the composition of the Bid Adjudication Committee has led to a contentious unresolved matter impacting on the municipality's ability to award bids. Unexpected delays as a result of non-responsive bids received and operational changes further contributed to the underachievement.</p> <p>Items that could not realise were carried forward to the next financial year and the necessary appropriation has been made on the 2021/22 to 2023/24 MTREF. Enhanced market research and needs analysis will be applied to ensure more accurate budget estimations.</p>
	3.3.4	To promote a corruption-free CWDM.	3.3.4.1	Establishment of an externally managed corruption hotline	0	0	1	0	<p><u>Underachievement:</u></p> <p>Due to regulation 29(2), the SCM process could not be completed.</p>

Strategic Objective Three: Providing effective and efficient financial and strategic support services to the Cape Winelands District Municipality.

CWDM PDO	PDO no.	Outcome Indicator	KPI no.	Key Performance Indicator	2019/20 Target	2019/20 Actual	2020/21 Annual Target and Performance		
							Annual Target	Annual Actual	Comments
									This target has been postponed to the 2021/22 financial year and it is envisaged to be completed before the end of the financial year.
	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 CWDM's various initiatives.	10 000	15 591	10 000	14 968	<u>Overachievement:</u> Tenders were awarded earlier than anticipated and implementation could take place over longer periods.

Strategic Objective Three: Providing effective and efficient financial and strategic support services to the Cape Winelands District Municipality.

CWDM PDO	PDO no.	Outcome Indicator	KPI no.	Key Performance Indicator	2019/20 Target	2019/20 Actual	2020/21 Annual Target and Performance		
							Annual Target	Annual Actual	Comments
	3.3.6	To transform the workforce of the CWDM in terms of representation.	3.3.6.1	Number of people from employment equity target groups employed in the three highest levels of management in compliance with CWDM's approved Employment Equity Plan.	90%	66,67%	90% of appointments	75%	<p><u>Underachievement:</u></p> <p>The post of Deputy Director: Roads is filled on a temporary contract basis.</p> <p>The CWDM will strive to the best of its ability to make appointments in line with the approved EE Plan, if circumstances allow for it. However, cognisance must be taken that registered ECSA Engineers are a very scarce and critical occupation and the attraction of candidates from designated groups is not always possible.</p> <p>The future approval of the Succession Plan & Coaching and Mentoring Policies will assist to put procedures and programmes in place to address these challenges</p>
	3.3.7	To improve inter-governmental relations within the district as with other districts.	3.3.7.1	Improve inter-governmental relations within the district as well as with other districts by initiating and participating in the DCF Tech, DCF,	-	-	14	24	<p><u>Overachievement</u></p> <p>More meetings were held than anticipated.</p>

Strategic Objective Three: Providing effective and efficient financial and strategic support services to the Cape Winelands District Municipality.

CWDM PDO	PDO no.	Outcome Indicator	KPI no.	Key Performance Indicator	2019/20 Target	2019/20 Actual	2020/21 Annual Target and Performance		
							Annual Target	Annual Actual	Comments
				JDA, Cabinet and Joint District meetings.					

3.3 NATIONAL KEY PERFORMANCE AREAS 2020/21

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

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

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

KPA 1: Service Delivery and Infrastructure Development			
Roads	Unit	2019/20	2020/21
Kilometres of road responsible for (provincial de-proclamation and maintenance contracts)	Kilometre	3 601	3 601
Kilometres of roads maintained and rehabilitated (provincial de-proclamation and maintenance contracts)	Kilometre	3 601	3 601
Total amount of operating budget allocated to road maintenance	Rand	R127 062 227	R119 384 282
Total amount of operating budget spent on road maintenance	Rand	R104 722 737	R102 801 241
KPA 2: Local Economic Development			
Economic growth	Unit	2019/20	2020/21
Total rand value of procurement transactions	Rand	R111 036 365	R92 379 513
Total rand value of contracts awarded to SMMEs	Rand	R106 654 434	R90 101 784
Total rand value of contracts awarded to BEE suppliers	Rand	R50 948 506	R50 507 779
Total rand value of contracts awarded to women	Rand	R25 161 254	R23 238 310
Total rand value of contracts awarded to youth	Rand	R4 033 993	R7 199 141
KPA 3: Municipal Financial Viability and Management			
Financial viability	Unit	2019/20	2020/21
Total operating transfers (grant and subsidy income)	Rand	R239 156 653	R245 614 284
Total operating expenditure	Rand	R356 405 216	R363 821 108
Capital budget spend in year	Rand	R7 572 770	R5 522 550
Council approved capital budget in year	Rand	R10 948 828	R8 573 009
Total outstanding customer debt as at 30 June	Rand	R74 781	R60 986
Current assets as at 30 June	Rand	R749 302 826	R792 985 307
Current liabilities as at 30 June	Rand	R49 171 724	R48 386 127
Total revenue	Rand	R402 687 636	R390 528 404
Revenue from grants	Rand	R239 156 653	R245 597 044
Debt service payments (finance charges)	Rand	R0	R0
Salaries budget (including benefits)	Rand	R225 514 648	R230 900 525

Total operating budget	Rand	R436 311 570	R416 091 343
Municipal systems improvement grant (MSIG)	Rand	R0	R0
Amount of this allocation utilised	Rand	R162	R0
Municipal infrastructure grant allocation	Rand	R0	R0
Amount of this allocation utilised	Rand	R0	R0
KPA 4: Municipal Transformation and Organisational Development			
Organisational design and capacity	Unit	2019/20	2020/21
Number of posts in the organogram as at 30 June	Number	493	493
Number of posts in the organogram that were filled as at 30 June	Number	420	414
Total number of staff employed in the municipality as at 30 June	Number	451	459
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	0,09%	0,13%
Employment equity	Unit	2019/2020	2020/21
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	141	169
Number of staff (out of total number of staff) in the municipality who were classified as disabled as at 30 June	Number	8	9
KPA 5: Good Governance and Public Participation			
Council meetings	Unit	2019/2020	2020/21
How many council meetings were held in the financial year?	Number	10	10
How many open council meetings were held in the financial year?	Number	10	10
Corporate governance	Unit	2019/2020	2020/21
Number of Section 57 staff dismissed	Number	0	0
Number of Section 57 staff suspended	Number	1	0
Number of Section 57 staff resigned	Number	1	0

3.4 PERFORMANCE IMPROVEMENT MEASURES

The following actions were taken throughout the 2020/21 financial year to improve the culture of performance management in the organisation:

- Strategic sessions with the Mayor and the Municipal Manager were held;
- Strategic sessions between the Municipal Manager and the Senior Management Team 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 identified officials;
- On a quarterly basis, the Internal Audit unit performed testing of organisational key performance indicators and/or projects – to verify the quality of data and evidence of performance;
- Internal Audit reports were submitted to Management, as well as other Senior Management involved, for response and action to address any identified shortcomings;
- These Internal Audit reports also served before the Audit Committee for oversight, where after the Audit Committee's quarterly reports served before Council; and
- An electronic compliance register also assisted to monitor the compliance with various pieces of legislation relating to performance management.

3.4.1 PMS Audit Focus for 2021/22

Based on the work performed during the 2020/21 financial year, the focus for the 2021/22 financial year will be as follows:

- Quarter 1: Comprehensive review of organisational SDBIP KPIs, i.e. SOs one, two, and three,
- Quarter 2: Comprehensive review of organisational SDBIP KPIs, i.e. SOs one, two, and three; as well as APR review before extended audit,
- Quarter 3: Comprehensive review of organisational SDBIP KPIs, i.e. SOs one, two, and three; and
- Quarter 4: Comprehensive review and alignment of organisational SDBIP KPIs, i.e. SOs one, two, and three.

3.5 SUPPLIER PERFORMANCE

Looking at the applicable legislation, specifically Section 46(1) (a) of the MSA – a municipality must prepare for each financial year an annual report consisting of –

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

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

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

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

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

Relevant Department/Division	Number of contracts	
	2019/20	2020/21
Community Development Services	76	67
Financial and Strategic Support Services	100	97
Technical Services	131	176
Office of the Municipal Manager	10	12
Grand total	317	352

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

3.5.1 Quality of performance

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

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

3.6 AG OUTCOMES

During the last six years (2015/16; 2016/17;2017/18; 2018/19; 2019/20 and 2020/21), the municipality received clean audits. For the 2020/21 year, the table detailed below serves as a summary of the areas assessed as improved or unchanged:

Main area	Sub-area	Movement from previous year					
		Financial statements		Performance reporting		Compliance	
		Status of prior year (2019/2020)	Movement in status	Status of prior year (2019/2020)	Movement in status	Status of prior year (2019/2020)	Movement in status
Leadership	Effective leadership culture	Requisite controls in place	Unchanged	Requisite controls in place	Unchanged	Requisite controls in place	Unchanged
Leadership	Oversight responsibility	Requisite controls in place	Unchanged	Requisite controls in place	Unchanged	Requisite controls in place	Unchanged
Leadership	HR Management	Requisite controls in place	Unchanged	Requisite controls in place	Unchanged	Requisite controls in place	Unchanged
Leadership	Policies and Procedures	Requisite controls in place	Unchanged	Requisite controls in place	Unchanged	Requisite controls in place	Unchanged
Leadership	Audit action plans	Requisite controls in place	Unchanged	Requisite controls in place	Unchanged	Requisite controls in place	Unchanged
Leadership	IT Governance	Requisite controls in place	Unchanged	Requisite controls in place	Unchanged	Not applicable	Not applicable
Financial and performance management	Proper record keeping	Requisite controls in place	Unchanged	Requisite controls in place	Unchanged	Requisite controls in place	Unchanged
Financial and performance management	Processing and reconciling controls	Requisite controls in place	Unchanged	Requisite controls in place	Unchanged	Requisite controls in place	Unchanged
Financial and performance management	Preparation of regular, accurate and complete financial and performance reports	Requisite controls in place	Regressed	Requisite controls in place	Unchanged	Requisite controls in place	Unchanged
Financial and performance management	Review and monitor compliance with legislation	Requisite controls in place	Unchanged	Requisite controls in place	Unchanged	Requisite controls in place	Unchanged
Financial and performance management	Design and implement formal controls over information technology systems	Requisite controls in place	Unchanged	Requisite controls in place	Unchanged	Not applicable	Unchanged
Governance	Risk Management	Requisite controls in place	Unchanged	Requisite controls in place	Unchanged	Requisite controls in place	Unchanged
Governance	Internal Audit	Requisite controls in place	Unchanged	Requisite controls in place	Unchanged	Requisite controls in place	Unchanged
Governance	Audit Committee	Requisite controls in place	Unchanged	Requisite controls in place	Unchanged	Requisite controls in place	Unchanged

TECHNICAL SERVICES

COMPONENT A: BASIC SERVICES

This component includes the following services:

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

INTRODUCTION TO BASIC SERVICES

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

THE PROVISION OF WATER AND SANITATION SERVICES

INTRODUCTION TO WATER PROVISION



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

landowners subsidies to install these services.

COMMENT ON WATER SERVICES PERFORMANCE OVERALL

During 2020/21, GB Batt and Concordia Primary were assisted with the upgrade of water supply at the schools by providing storage tanks.



WASTEWATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

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

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL



Fransie du Toit Primary School was assisted with the construction of additional ablution facilities at the school.

ELECTRICITY

INTRODUCTION TO ELECTRICITY



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

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL

The target for the 2020/21 financial year was met and 120 units were installed during the year.

WASTE MANAGEMENT

INTRODUCTION TO WASTE MANAGEMENT

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

COMMENT ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL

The environmental authorisation process was completed and a waste management licence was issued by the Department of Environmental Affairs for a regional landfill site. The Section 78 investigation to assess the best possible way in which to render the service was completed and a tender for the construction and operation of the regional landfill site will be the next phase during the implementation of the regional site.

COMPONENT B: ROAD TRANSPORT



INTRODUCTION TO ROAD TRANSPORT

Ownership of public roads in the CWDM's area vests with the national or provincial government or with the local municipalities. The five district municipalities' road staff only perform a roads service (Department of Transport and Public Works) for the Western Cape Government: Department of Transport and Public Works (WCG: DT&PW). The emphasis of Roads Services (Department of Transport and Public Works) is to perform various maintenance activities on the allocated provincial roads (under the technical guidance of the three Provincial District Roads Engineer offices in the Province).

ROADS SERVICES (DEPARTMENT OF TRANSPORT AND PUBLIC WORKS)

Roads Services (Department of Transport and Public Works) is 100% funded and funding transfers are governed by a financial agreement. It is expected that the CWDM perform this function with its own road staff. All plant and equipment are provided by the WCG: DT&PW.

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

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

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

Provincial gravel roads: Most of the complaints received from the rural communities pertain to the poor condition of the provincial gravel road network. The majority of the 2 901 km provincial gravel road network in the CWDM area needs re-gravelling/reworking/reshaping. Wet weather has a negative impact on the riding quality of these roads, as they urgently require reshaping (to improve

drainage) and re-gravelling (to improve riding quality) that cannot be achieved with the current resources and huge backlogs.

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

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

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

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

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

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

BUDGET ITEM	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL SPENDING
Main and Divisional Roads Indirect	89,636,580.00	91,061,713.00	82,902,767.60
Roads Management	9,988,644.00	8,717,924.00	7,382,094.39
Roads Workshops	10,083,023.00	9,969,558.00	8,284,063.47
Plant	9,755,687.00	9,635,087.00	9,433,794.79
TOTAL	119,463,934.00	119,384,282.00	108,002,720.25

Severe flood damage occurred in the Bonnievale area during abnormal rainfall in the period from 5 to 7 May 2021 but the CWDM, in collaboration with the Paarl DRE, was able to restore temporary access to all effected households by 28 May 2021.

PUBLIC TRANSPORT

The mandate for transport at district municipal level is derived as follows: The Constitution of the Republic of South Africa stipulates in respect of local government matters listed under Part B of Schedule 4 that 'Municipal Public Transport' is to be the responsibility of a municipality. Furthermore, in Section 84 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998), the

division of functions and powers between district and local municipalities, Section 84(1)(g), lists the function 'regulation of passenger transport services' as a district municipal competency.

In fulfilling its statutory mandate, the CWDM established a unit on its organisational organogram, namely Public Transport Planning and Regulation. The approach adopted by the 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 achieve the various service delivery goals in public transport.

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

Outcome	Projects	Targets	Achievement 2020/21
Improved mobility of citizens in the district	Review of the CWDM District Integrated Transport Plan	Improve public transport level of service rendered by the unregulated and privately funded minibus taxi industry	Completed the Review of Transport Register and Operating Licence Plan for Breede Valley Municipality. This review was adopted by Council on 24 June 2021.
Improved road safety	Planning for improved road safety infrastructure at urban schools in Breede Valley LM	Reduce the number of learner traffic-related incidents. Reduce the speed of vehicles passing urban schools through traffic calming infrastructure. Improved road signage	No implementation took place during this financial year.
	Transport Month event	Host a Transport Month event during October 2020 in Langeberg LM.	No Transport month event hosted due to the lockdown COVID-19 restrictions.

Transport Month event

Aim of Transport Month

Furthermore, the Cape Winelands District Municipality (CWDM) has developed a Safer Journeys to Schools Strategy to improve the learner travel experience. Reaching out to motorists to change their behaviour whilst operating their vehicles needs a specific intervention.

Various areas for intervention are identified in the Safer Journeys to Schools Strategy and listed as follows:

- engineering and environment
- transport service delivery
- **education, communication and awareness**
- evaluation and monitoring
- institutional integration
- enforcement

An area of intervention identified in the Safer Journeys to Schools Strategy is that of learner education, communication and awareness in terms of learner road safety. To facilitate such intervention, the CWDM procured and distributed branded learner peak caps to the various schools in the district as a means of increasing the visibility of learners. The distribution of learner peak caps was led and given full support by the Portfolio Holder for Technical Services, Councillor G.J. Carinus.





Safely to School Programme



Cllr Palesa Ramokhabi

The Cape Winelands District Municipality (CWDM) annually invests in a district wide A-Z Safely to School programme. Through the Technical Services department, the programme is aimed at ensuring that our school going children, especially in rural areas, can get to school as safely as possible.

The seasons have changed, winter bringing longer nights and shorter days, sometimes even dark days due to rainy weather. This means that many kids start their journey to school in darkness, those who need to walk to a bus stop or all the way to school are at a higher risk of injury, or worse due to bad light.

In an effort to prevent accidents and reduce



Cllr Gideon Carinus

the risk to learners and drivers, the CWDM distributed peak caps to learners in the Breede Valley and Langeberg areas. The caps, which are reflective ensure that they are visible when walking along the road.

Cllr Deon Carinus and Cllr Palesa Romokhabi of the CWDM visited four schools: Lorraine NGK Primary School, Weltevrede NGK Primary School, Rawsonville Primary School and Siyafuneka Primary School and distributed 1 000 peak caps to learners.

Always be aware of pedestrians when travelling in the dark, children are especially vulnerable as they are smaller and school clothes are often dark in colour.



Siyafuneka Primary 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 CWDM is reliant on Council's equitable share and irregular grants from the WCG: DT&PW. The impact and performance on the mandatory transport function are thus determined by funding, which can be made available via Council budget.

However, despite funding challenges, planning for improved citizen mobility and implementation of various public transport-related projects continued, as evidenced by learners during the distribution of learner peak caps in various schools in the district.

COMPONENT C: PLANNING AND DEVELOPMENT

Departmental introduction

The 2020/21 financial year can be described as one of the most challenging years experienced because of the COVID-19 pandemic. The COVID-19 pandemic has been exposing the fault lines that exist within the structure of the social, environmental and economic systems in the world. It brought to the fore the deep inequalities that exist within countries between the rich and the poor. In South Africa, the lockdown policies have been particularly stringent and the economic and social impact has been enormous, as seen by the numerous civil demonstrations.

There is a saying that one should “never waste a crisis”, meaning that, every crisis brings with it opportunities which should be capitalised on. This moment in crisis represented an opportunity to collectively improve leadership culture across the different spheres of government.

This year saw us developing and drafting Economic Recovery Plans to kick-start the district economy. The CWDM understood that the choices that the district municipality and its partners made to restart the district economy, including the long-term social and economic co-benefits that we seek to achieve through our business and community investments, had to ensure that we **“build back stronger and better”**.

Intergovernmental Relations: Joint Operations Committee (JOC)

COVID-19 District Joint Operations Centre

The operational coordination and response to the COVID-19 pandemic take place through the COVID-19 District JOC. This coordinating body is chaired by the Head: Disaster Management Centre. The representatives also include:

- Divisions from the district municipality
- Local municipalities
- Provincial departments such as Health, Social Development, Education, Agriculture, Economic Development and Tourism, and Municipal Support and Capacity Building
- National Department of Labour
- SAPS clusters
- Other role-players such as SALGA, SASSA, Winelands RTMCC

There are seven clusters that are activated as and when required. These include:

- Health
- Communications
- Safety and Security
- Transport and Logistics
- Business Economy and Tourism
- Education
- Social

At the onset, these clusters were established to ensure a whole of government approach to responding to the pandemic as well as combatting the effects of the lockdowns.

The JOC operations were faced by a number of challenges due to the prolonged nature of the pandemic, including:

- Meeting fatigue by JOC members. 40 meetings were held during the 2020/21 financial year.

- As alert levels were reduced, enforcement operations were hampered by role-players having to continue with their normal functions.
- Lack of representation by key role-players
- Lack of joint enforcement initiatives.

It must be noted that, stemming from the COVID-19 JOC and a lack of joint enforcement initiatives, the Disaster Management Division entered into a Service Level Agreement discussion to further strengthen the cooperation between the district and local municipalities and the South African Police Services.

Departmental Strategic and Operational Planning

With the COVID-19 pandemic it has become increasingly challenging and difficult to plan both strategically and operationally. It is the uncertainty that is at the heart of the problem. Uncertainty can be an incredibly disempowering experience. However, the need to power through the uncertainty is an important element for recovery. This is exactly what the Community Development and Planning Services Department committed itself to.

In the previous financial year, the department planned to implement most of our socio-economic programmes in the third and fourth quarter of the new year and to use the first and second quarter to complete all the administrative duties attached to these programmes. This seemed the most prudent option available to us when we were at the height of the pandemic. However, six months later we saw second and even third waves of the pandemic across the world. That there would be second and third waves of the pandemic was not known when we were experiencing the first wave of the pandemic and was engaged in our planning.

The Cape Winelands started to experience the second wave at the end of the second quarter in December 2020. The Socio-Economic Development division had to cancel many site visits to projects in anticipation of implementation for the third and fourth quarter. The second wave of the pandemic also meant that we had to relook at what we could still implement remotely in the third and fourth quarter. We had some technology at our disposal and started to use it in the planning stages of programmes in the first and second quarter. We also used this technology, where possible, for implementing programmes remotely in the third and fourth quarter. As a department we have continually adapted our tools of the trade to help us achieve our departmental goals. We undertook to continually examine new and innovative ways in which to support communities in the Cape Winelands District.

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

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

Spatial Planning and Environmental Management Services: This division has a limited function pertaining to town and regional planning and is thus limited to spatial planning and planning coordination. Land use management is a function of the five local municipalities within the Cape Winelands district although the CWDM's involvement in land use planning is through participation in local municipal planning tribunals established in terms of the Spatial Planning and Land Use Management Act (Act No. 16 of 2013) (SPLUMA). The division's environmental management

function focuses mainly on natural resource management, biodiversity and water through the implementation of an invasive alien vegetation management and river rehabilitation programme.

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

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

Socio-Economic Development: In 2018/19, the divisions Local Economic Development and Tourism amalgamated with the division Rural and Social Development to form a new division called Socio-Economic Development. One of the first tasks of the new division was to take the draft Cape Winelands Regional Socio-Economic Development Strategy (CW-RSEDS) through its final internal and external round of gathering comments and submit it to Council for adoption. The CW-RSEDS was adopted by Council on 27 May 2019.

The core focus of the CW-RSEDS is to outline how the CWDM will invest in its people and how it will create an enabling environment in which business can develop, grow and thrive by fostering greater investment that will increase job growth and alleviate poverty in the district. The strategy builds on the Cape Winelands Regional Local Economic Development Strategy (2011/12–2018/19), which has been successful in implementing a number of programmes and initiatives that have helped grow the Cape Winelands economy over the last six years.

The CW-RSEDS is intended to provide an achievable, evidence-based plan for the future, while responding to the challenges and opportunities presented by the local economic and social context. The following five strategies combined form the CW-RSEDS:

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

The COVID-19 pandemic necessitated the district municipality and its local municipalities to relook at their current economic strategies. This led to a process where the district municipality and its local municipalities all drafted and finalised ***Economic Recovery Plans***.

Disaster Management Services: The Cape Winelands Disaster Management Centre (CWDMC) consists of a Disaster Management Centre and four permanent staff members assisted by an intern. The purpose of the CWDMC is to ensure the coordination of multidisciplinary and 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, 2002 (Act No. 57 of 2002) as amended by the Disaster Management Amendment Act, 2015 (Act No. 16 of 2015).

The functions of Disaster Management includes:

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

In terms of Section 51 of the Disaster Management Act, 2002 (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. The forum meetings provide the CWDMC with an opportunity to engage role-players on the disaster management-related activities taking place in the district. This is an important platform in order to provide members with vital information such as seasonal forecasts and reports on significant incidents or disasters that have occurred in the district. The meetings for 2020/21 took place in November 2020 and May 2021.

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

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

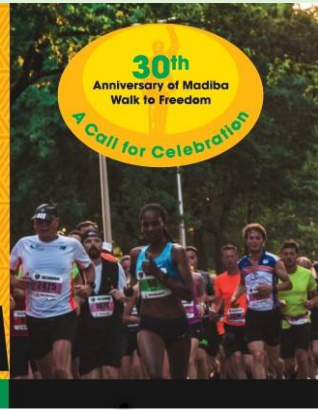
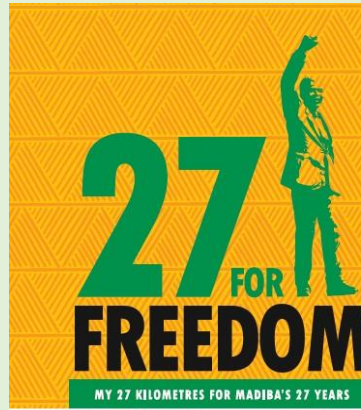
Municipal Health Services: In terms of Section 156(1)(a), Part B of Schedule 4 of the Constitution of the Republic of South Africa, 1996, municipal health services had been entrusted to local authorities. According to Section 84(1)(i) of the Local Government: Municipal Structures Act, 1998 (Act. No. 117 of 1998), municipal health services were consequently declared the responsibility of a

district municipality (Category C) and/or metropolitan area (Category A). Section 32(1) of the National Health Act, 2003 (Act No. 61 of 2003) tasks every metropolitan and district municipality to ensure the provision/rendering of municipal health services. In terms of Section 1 of the National Health Act, 2003 (Act No. 61 of 2003), Municipal Health Services were declared to be:

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

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

#CWDMONTheMove



COMMUNITY DEVELOPMENT AND PLANNING SERVICES

IN NUMBERS

Our REACH in communities

- **200** people reached through the 16 Days of Activism campaign
- **36** community organisations were supported
- **30** ECD organisations were supported
- **19** interns in the Stellenbosch area were afforded an opportunity to be part of the driver's licence training programme
- **185** more living active age programmes were implemented
- **9 950** packets of sanitaryware provided to school learners across the district
- **300** people reached through international day for people with disabilities
- **1 110** people reached through embarking on various sporting codes across the district
- **10** tourism entrepreneurs supported
- **117** community members joined three historical walks across the district to celebrate Tourism Month
- **89 food parcels** distributed to families affected by incidents
- **56 blankets** distributed to families affected by incidents
- **100 packs** of sanitary towels provided
- **77 warm meals** were provided to people displaced by a fire in De Doorns

EDUCATIONAL PROGRAMMES

- **56** learners went on tourism excursions



Helping to TRAIN and SKILL our communities

BUSINESS TRAINING AND MENTORSHIP

45 SMME and 14 small farmers/ groupings had access to be trained in various financial and business management practices such:

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

WINE TOURISM SKILLS TRAINING

- Six workshops on 'direct-to-the-consumer' wine sales and marketing were held in collaboration with Vinpro

TOURISM TRAINING

- 19 people trained in social media, digital marketing and filming
- 36 petrol attendants trained
- 5 tour guides received driver's licence training
- 25 hospitality training sessions
- 17 wine farms audited for skills training programmes

DISASTER MANAGEMENT AND FIRST AID TRAINING

- **16 people** trained in disaster management and first aid

CAPE WINELANDS FIRE AND RESCUE ACADEMY TRAINING

The Quality Council for Trades and Occupations (QCTO) has set policies to accredit Skills Development Providers (SDPs). This is to ensure that education and training in occupations and trades offered in the country are credible and valid. The QCTO, on receiving our application, conducted a site inspection of the Cape Winelands Fire and Rescue Academy's premises, and accredited Cape Winelands District Municipality to offer the qualification of Occupational Certificate: Firefighter for a period of five years – from 29 March 2021 to 28 March 2026.

- The Academy has **trained 60 fire officials** in HAZMAT Awareness, HAZMAT Operational and Firefighter 2 during the 2020/21 financial year.

Our REACH in communities through sports and recreation

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

Our reach in communities in SUPPORT of Tourism

- 1 Tourism Radio Media Campaign focusing on bringing domestic tourists to the Cape Winelands
- 9 media/tour operator educationals were undertaken in the Cape Winelands
- 25 tourism events were supported
- 14 Tourism Town Apps were supported in the Cape Winelands
- 17 Business Retention and Expansion projects in tourism were supported
- 15 tourism projects in collaboration with Local Tourism Associations were supported
- 1 skills audit in the wine tourism sector supported through Vinpro

CARING for our environment

ENVIRONMENTAL MANAGEMENT

Natural resource management programmes

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

Thirty six (36) sites/contracts were awarded and cleared.

- Work opportunities created: **± 35** longer-term work opportunities. Contractors and contracting teams worked for more than 5 months continuously.
- Hectares cleared: **± 1 702**



PROTECTING our communities

TRAINING PROVIDED	NUMBER OF SESSIONS	NUMBER OF PEOPLE TRAINED/ REACHED	RELATED EDUCATIONAL MATERIAL DISSEMINATED
Duties of the food handler	9	84	
Transport, storage and display of foodstuffs	2	20	
Paediatric Surge Season (Diarrhoea Educational Awareness)			650 posters and pamphlets
Personal Hygiene	6	200	43 posters and pamphlets
Early Childhood Development Centres	4	140	
Handwashing	3	283	1 280 posters and pamphlets
Interactive Health Education Live Theatre Performances	72	3 646	
COVID-19 pandemic-related training	23	1 007	2 437 posters and pamphlets
COVID-19 awareness: Distribution of keyring hand sanitisers		1 700	
Water safety training	144	24 286	
Fire prevention through the distribution of smoke alarms		3 626	
TOTAL	263	34 992	4 410

INTERACTIVE HEALTH EDUCATION LIVE THEATRE PERFORMANCES: “PUPPET SHOWS” “HYGIENE HIT SQUAD”:



TRAINING: LAW ENFORCEMENT BY PEACE OFFICERS (LEPO)

Four newly appointed Environmental Health Practitioners in the Division: MHS were afforded training in Law Enforcement through the Nelson Mandela University’s Centre for Law in Action from 24 to 27 May 2021 at the CWDM offices in Worcester.

The training was aimed at the Law Enforcement Officer who is responsible for the daily enforcement of transgressions such as health nuisances to be competent in the processes of criminal prosecution as well as the administrative actions in respect of law enforcement.

If successful, they will eventually be formally designated/declared as **Peace Officers in terms of Section 334 of the Criminal Procedures Act, 1977 (Act No. 51 of 1977)**.



FIREFIGHTING

Operational response and fire risk reduction

The Fire Services have attended to:

1 566 incidents during the period and have assisted our B-municipalities on **138 occasions**. As part of our fire risk reduction strategy, we have made more than **2 300 hectares of fire breaks** throughout the district and after an Officer’s inspection, issued **313 burn permits** to allow landowners to reduce their fuel loads in a controlled manner.

COVID-19 assistance

Cape Winelands Fire Services’ coronavirus response to its communities is activated by a request from its local municipalities. For that reason, we have assisted Witzenberg Municipality on several occasions. Initially we assisted by decontaminating office buildings where COVID-19 cases were confirmed and then we were requested to do large-scale preventative activities. These activities included the ‘sanitising programme’ where public spaces were identified such as roads, taxi ranks and public toilets in various areas that are to be serviced on a regular basis.

DISASTER MANAGEMENT

Capacity at the local municipalities: The Disaster Management Division has assisted Langeberg, Breede Valley and Witzenberg municipalities with an intern to assist with the function of disaster management. The provision of an intern is the first step to build capacity within these municipalities. In many municipalities, the function of disaster management is the responsibility of the Chief Fire Officer and they do not have a designated Disaster Management Officer to perform the function of disaster management. The division also supported the Breede Valley, Drakenstein, Stellenbosch and Witzenberg municipalities with an Incident Reporting, Management and Communication system to assist with the coordination of disaster management in the district.

Early warnings: The Disaster Management Division provides early warnings to all Disaster Management Advisory Forum members, local municipalities and internal departments. During the 2020/21 financial year, the following information was distributed regularly:

- Weekly dam level reports

- Weather alerts disseminated. These weather alerts included flooding, damaging winds, heavy rain, snow, veld fires, extreme heat, high discomfort values, heat waves and severe weather
- Weekly weather outlooks sent to local municipalities
- Impact-based severe weather warnings sent to local municipalities
- Various health communications, situation reports, etc.

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

Coordination of COVID-19: The division established a COVID-19 Joint Operations Centre for the purpose of the coordination of response and relief effort for the COVID-19 pandemic.

COVID-19 awareness: Awareness efforts were focused around COVID-19 prevention. Keyring hand sanitisers were procured and distributed across the district. The division also collaborated with the Communications Division for the development of a COVID-19 version of Snakes and Ladders to be distributed to schools.

Partnership for risk and resilience: On 28 June 2019, the Cape Winelands District Municipality entered into a three-year memorandum of understanding agreement with SANTAM as part of the Partnership for Risk and Resilience programme. The objective of this programme is to reduce risk and build capacity in municipalities and local communities. During the second year of the partnership, SANTAM and their co-partners SASRIA assisted the Cape Winelands with the following:

- 3 626 smoke alarms were distributed to the local municipalities.
- Fire equipment was provided to the Fire Services of the five local municipalities.
- Disaster management and first aid training was provided for disaster management volunteers.
- Water safety training was conducted in schools by the NSRI
- A multipurpose resource centre was opened in De Doorns. This centre includes a 10-seater computer room, two 8-seater meeting rooms, a 60-seater training room and security. Numerous programmes for community members have been conducted from the centre. These include a creative writing and book publishing course, hydroponics workshop, SITE learning programme for ECD educators and a national qualification (NQF level 4) for 20 ECD educators
- Investigation into the development of a CCTV network and monitoring facility to try to reduce the number of incidences of the looting of trucks.
- Development of a Disaster Ready Communications strategy and toolkit.

International Day for Disaster Risk Reduction (IDDRR) Webinar: In celebration of IDDRR, SANTAM sponsored a webinar around the 2020 theme of good governance. The webinar was used to highlight the theme of good governance through the analysis and discussion of disaster risk.

DIVISION: SPATIAL PLANNING AND ENVIRONMENTAL MANAGEMENT

Natural Resource Management

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

Below are some of the sites that were cleared:

- Nieuwedrift (1 site)

- Paarl Mountain Nature Reserve (1 site)
- Klein Parys Conservation area (1 site)

± 36,3 hectares were cleared.

± 30 work opportunities were created.

Nieuwedrift site



Pictures taken before clearing:



Pictures taken after clearing:



Paarl Mountain Nature Reserve site



Pictures taken during clearing (above)

The picture below shows the slope of Paarl Mountain Nature reserve that was cleared ($\pm 16,87$ hectares).



Klein Parys Conservation area site



Stacking of biomass on cleared Klein Parys Conservation area site (above).

COMPONENT D: COMMUNITY AND SOCIAL SERVICES

INTRODUCTION TO CHILD CARE, AGED CARE AND SOCIAL PROGRAMMES

The Division Rural and Social Development of the Cape Winelands District Municipality (CWDM) focuses on building and maintaining social capital through access to programmes and services. Related programmes aim to increase physical activity, enhance education, improve skills levels, enhance employability and provide funding for community-based organisations and promote the rights of vulnerable groups. The success of these programmes is based on the strong and vibrant partnerships with national and provincial government, B-municipalities, civil society organisations, communities across the Cape Winelands municipal district and training institutions. The following projects were implemented to address the service delivery priorities for the 2020/21 financial year:

A. COMMUNITY SUPPORT PROGRAMME

Non-profit organisations and community-based organisations face various challenges and financial constraints. The CWDM provides funding to support civil society organisations in rendering services that have a direct and immediate impact on the well-being of disadvantaged communities at grass-roots level. The funding maximises the poverty alleviation impact of 36 community organisations across the Cape Winelands municipal district. This programme also enhances the capacity of beneficiary organisations to render services that will contribute to the achievement of the strategic objectives of CWDM.

B. DISABILITY PROGRAMME

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

(a) International Day for Persons with Disabilities Project

On 3 December 2020, the municipality, in partnership with government departments and NGOs in the disability sector, commemorated the International Day for Persons with Disabilities. Events were implemented in the five B-municipalities of the CWDM to observe and promote the rights of persons with disabilities. These events covered the spectrum of disabilities and created an awareness amongst citizens, 300 persons with disabilities and their families were reached through these programmes.

(b) Disabled grant in aid

The CWDM provides funding to support civil society organisations in rendering services that have a direct and immediate impact on the well-being of people with disabilities across the district. The funding maximises the poverty alleviation impact of 11 community organisations across the Cape Winelands municipal district. This programme also enhances the capacity of beneficiary organisations to render services that will contribute to the achievement of the strategic objectives of the municipality.

(c) Adult diapers

The CWDM focuses on building and maintaining social capital through access to programmes and services. Our partners at the Department of Health, community-based services, social workers and NGOs indicated some of the challenges and the need for diapers. No adult, regardless of their level of physical or mental disability, should be treated differently as aging and age-related conditions already rob our loved ones of much of their independence. CWDM portfolio Councillor Palesa Ramokhabi visited old-age homes across the district to hand over around 1 333 diapers during January 2021.

C. ELDERLY PROGRAMME

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

(a) More Living Active Age Project

Recreational and cultural tours were held as part of the More Living Active Age Programme for the elderly in our district. These tours provided the elderly with opportunities to observe the socio-economic, cultural and historical developments that have taken place, as well as the significant impact the history and developments had on the underprivileged communities and the elderly. The support of the CWDM created opportunities for elderly persons to visit recreational and historical landmarks. Some elderly persons have never been out of their residential areas due to financial constraints and the municipality provided them with the opportunity. Approximately 200 elderly persons from across the district were the beneficiaries of the recreational and educational excursions.

D. SANITARYWARE

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

The Division Rural and Social Development of the CWDM focuses on building and maintaining social capital through access to programmes and services. The Department of Health is currently busy with a health and hygiene awareness programme at senior centres within the Cape Winelands District. One of the challenges was the need for sanitaryware for school learners across the district. The success of this programme is based on the strong and vibrant partnership with the Department of Education in our district.

CWDM portfolio Councillor Palesa Ramokhabi visited 30 schools across the district to hand over around 9 950 sanitaryware products during January 2021.

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

E. ECD SUPPORT

The CWDM has invested in various programmes to improve education at ECD level, as it does not only concern the care and protection of young children, but also their development. By ensuring that infants and toddlers attend a creche that has the required facilities, these children are given a good start in life. The building of human capital places a specific focus on opening doors of learning and culture by providing grant in aid to 30 ECD centres.

F. HIV AND AIDS PROGRAMME

HIV and AIDS impact on the sustainability of communities and their development conditions. The implementation of interventions is crucial in ensuring that the vulnerability of infected and affected persons is decreased. Awareness campaigns such as World Aids Day, HIV/AIDS and male circumcision, HIV and breastfeeding and 16 Days of Activism Against the Abuse of Women and Children are implemented in partnership with the Multisectoral Action Team (MSAT) structures in each B-municipal area. These programmes focus on reversing the effects of the HIV/AIDS pandemic and providing support to infected and affected families in the district.

(a) 16 Days of Activism Project

The municipality facilitates joint planning and collates the inputs of all partners to produce a district calendar of events for implementation across the district. The calendar provides a 16-day window (25 November to 10 December) of opportunity in communities for intense awareness-making and education to reduce levels of women and child abuse. Catalytic events include 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 and 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; and to create awareness around the link between HIV/AIDS and gender-based violence. Approximately 600 persons are reached through the 16 Days programmes.

G. SKILLS DEVELOPMENT PROGRAMME

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

(a) Driver's Licence Training Project

The CWDM, in partnership with the provincial departments of Health, Education and Social Development and Stellenbosch Municipality embarked on an integrated governmental relations training programme for 19 interns in the Stellenbosch area to obtain their driver's licence. Training consisted of 10 (ten) practical driving lessons and a driver's licence test. The lack of skills development affects sustainable development in the rural communities of the Cape Winelands District. Violence, social isolation and low education levels make young, unemployed youth more vulnerable and increase their risks of sexual exploitation and drug abuse. The municipality has identified the need to empower young people by providing access to K53 driver's licence training. The project was implemented by He and She Driving Training Centre and was completed in March 2021.

H. 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, focused on equipping the youth with life skills, job readiness, entrepreneurial skills and career guidance.

(a) Grade 12 Top Achievers

The Grade 12 Top Achievers annual event was held virtually on 26 February 2021. The Cape Winelands District Municipality hosted this event in partnership with the Department of Education. Parents and learners from all schools in the region were in attendance. The programme was led by Mr Juan Benjamine, the director at the regional department of education and the CWDM Executive Mayor, Ald (Dr) Elna von Schlicht, was the guest speaker.

COMPONENT E: SPORTS AND RECREATION

Sports, recreational and cultural programmes provide opportunities for vulnerable groups to participate in mass participation programmes. It enhances social cohesion amongst communities and it allows children, families, senior citizens, the 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 maximised participation in support of healthy lifestyles promoted by 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. During the 2020/21 financial year, 33 organisations benefited from this programme.

Clubs supported

A number of clubs and organisations are supported to honour their league games across the district, including rugby clubs, soccer clubs and NPOs across the district. Approximately **1 110** people participating in various sporting codes were reached across the district.

COMPONENT F: MUNICIPAL HEALTH SERVICES

LEGAL FRAMEWORK

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

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

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

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

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

MUNICIPAL HEALTH SERVICES MISSION AND VISION

MISSION

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

VISION

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

COVID-19

The activities of the MHS division have been severely impacted by the pandemic. Staff operates on a rotational basis to ensure operational sustainability. MHS participates in the multidisciplinary joint operation committee(s) (JOC) throughout the district.

The division also monitors compliance and provides education and guidance in cases of noncompliance. As such, the division developed and distributed several pamphlets and posters throughout the district. The division has also been involved with several joined operations with the Department of Health in relation to compliance inspections or dealing with complaints. Several incidents were investigated and reported upon.

MHS reports to various national and provincial platforms regarding COVID-19-related activities, and is also a key role-player in the identification and inspection of mass vaccination sites and the monitoring of environmental health conditions at various quarantine and isolation sites. Funeral undertakers and the management of COVID-19 bodies are monitored and managed by the division.



Inspections at mass vaccination sites

EDUCATION AND TRAINING 2020/21

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

Due to the COVID-19 pandemic, access to schools were restricted and subsequently the programmes could not be presented at schools. Instead, the project focused on crèches and aftercare facilities.

Despite these challenges the project reached a total of 72 facilities and 3 600 children. The project has been well received and approved by recipients throughout the district.

INTERACTIVE HEALTH EDUCATION LIVE THEATRE PERFORMANCES: “PUPPET SHOWS” “HYGIENE HIT SQUAD”:



**HEXRIVIER OPVOEDKUNDIGE SENTRUM
KEKKELBEKKIES CRECHE & NASORG**



BYEKORF

OUR HOPE PRE-SCHOOL & DAYCARE

**GLOBAL HANDWASHING PROJECT: BELLA VISTA AND TULBAGH CLINIC –
07 MAY 2021**



NATIONAL CHILD PROTECTION WEEK



MHS – WATER AND SANITATION PROJECT

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

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

Despite the challenges that arose due to the COVID-19 pandemic, the MHS division was still able to assist 23 farms to provide 33 households with running water in their kitchens, 70 households with complete bathroom facilities and 40 households with toilet facilities inside their homes.

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



FUNCTIONS

WATER QUALITY MONITORING

DEFINITION

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

This function includes the following:

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

This function excludes water supply and purification.

WATER QUALITY SAMPLING 2020-2021	
General limit for wastewater discharged into a water resource	106
Legionella screening	2
Moore pads	1
SANS 241 Farms Non-Water Services Authority: Specifications for Drinking Water	247
SANS 241 Rural Schools Non-Water Services Authority: Specifications for Drinking Water	137
SANS 241 Water Services Authority: Specifications for Drinking Water	535
Special limit for wastewater discharged into a water resource	49
Standard for rivers, dams, canals	173
Standard for swimming pool water	35
Water used in milking sheds	16
TOTAL	1 301

FOOD CONTROL

DEFINITION

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

The function ensures consumer protection through the following actions:

- Food inspection at point of production, storage, distribution and consumption;
- Regulate food premises regarding hygiene and the prevention of nuisances through certification, regular inspections and the enforcement of the Regulations governing General

Hygiene requirements for Food Premises, the Transport of Food and Related Matters, R638 of 23 June 2018;

- Regulate milking sheds and issue Certificates of Acceptability for Milking Sheds in terms of Regulations relating to Hygiene Requirements for Milking Sheds and the Transport of Milk and Related Matters, R961 of 23 November 2012;
- Regulate the informal food industry by means of R962 of 23 November 2012;
- Control of food premises by issuing Certificates of Acceptability for Food Premises in terms of Regulation R638 of 23 June 2018;
- Ensure that food is safe and healthy for human consumption through enforcement of the Foodstuffs, Cosmetics and Disinfectants Act, 1972 (Act No. 54 of 1972);
- The detention, seizure, condemnation and sampling of foodstuffs in terms of Regulations relating to the Powers and Duties of Inspectors and Analysts conducting Inspections and Analyses on Foodstuffs and at Food Premises, R328 of 20 April 2007;
- Monitor labelling of foodstuffs as prescribed by the Foodstuffs, Cosmetics and Disinfectants Act, 1972 (Act No. 54 of 1972);
- Provide education and training on food safety to the food industry; and
- Issue Export Certificates at the request of industries.

ACTIVITIES CONDUCTED IN RELATION TO FOOD CONTROL	
Number of inspections conducted at food premises	7 844
Applications for Certificates of Acceptability inspections conducted	723
Number of Certificates of Acceptability issued	713
Number of orders and notices issued to food premises	102

FOOD SAFETY SAMPLING 2020 – 2021	
Surface swabs analysed	79
Cooked poultry	101
Cooked seawater and freshwater foods	62
Dairy products or composite dairy products with the exception of ripened cheese	149
Desiccated coconut	6
Dried spices and aromatic plants	86
Edible Ices	31
Fruit juice for consumption	89
General micro analyses of foodstuffs	168
Honeybush tea	1
Ripened cheese	31
Natural mineral water or bottled water	89
Partly cooked or uncooked seawater and freshwater foods	21
Pasteurised milk, pasteurised reconstituted (prepared) milk, pasteurised skimmed milk, pasteurised reconstituted (prepared) skimmed milk or pasteurised cream	247
Raw milk intended for further processing	30
Raw milk that has become sour for consumption	1
Raw milk, raw cream, raw skimmed milk, raw reconstituted (prepared) milk or raw reconstituted (prepared) skimmed milk for consumption	2
Rooibos tea packed in retail packaging at the point of sale	3
TOTAL	1 196

WASTE MANAGEMENT

DEFINITION

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

This function refers to:

- the monitoring of waste management systems, including healthcare waste (SANS 10248: 2004), hazardous waste, sewage and waste water;
- monitoring for the occurrence of health nuisances during the storage, treatment, collection, handling and disposal of the various categories of waste;
- taking samples of any waste product and the analysis thereof in order to determine possible health risks;
- the identification of needs and motivation for the promotion of sanitation;
- the enforcement of municipal by-laws and the National Health Act, 2003 (Act No. 61 of 2003) where health nuisances arise as a result of waste;
- excludes the operation of a waste management system as rendered by B-municipalities; and
- educating communities within the Cape Winelands on issues of waste management and pollution control.

HEALTH SURVEILLANCE OF PREMISES

DEFINITION

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

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

SURVEILLANCE AND PREVENTION OF COMMUNICABLE DISEASES EXCLUDING IMMUNISATIONS

DEFINITION

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

This function entails:

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

VECTOR CONTROL

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

DEFINITION

Monitoring, identification, evaluation and prevention of vectors.

The function refers to:

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

ENVIRONMENTAL POLLUTION CONTROL

DEFINITION

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

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

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

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

DISPOSAL OF THE DEAD

DEFINITION

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

This function refers to the monitoring and certification of:

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

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

SAFE HANDLING OF CHEMICAL SUBSTANCES

DEFINITION

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

This function refers to:

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

COMPONENT G: ENVIRONMENTAL PROTECTION

AIR QUALITY MANAGEMENT

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

CWDM Air Quality Management Plan

To ensure the effective execution of the assigned roles and responsibilities of air quality management within the CWDM and to give effect to Section 24 of the Constitution, the National Environmental Management Act, 1998 (Act No. 107 of 1998) (NEMA) and NEM: AQA, the CWDM:

- Designated an air quality officer (AQO) in terms of Section 14(3) of the NEM: AQA, to coordinate matters pertaining to air quality management within the district;
- Developed and adopted the 2nd Generation CWDM district-specific AQMP in terms of Section 16 of the NEM: AQA in May 2018 for the effective planning and management of air quality in the CWDM; and
- Included the AQMP as a sector plan in the CWDM Integrated Development Plan in terms of Section 15(2) of NEM: AQA to ensure successful implementation of the NEM: AQA legislative responsibilities placed on the district.

During this reporting period, the implementation of the district objectives for air quality management were influenced by the COVID-19 pandemic regulations, lockdown and freedom of movement limits, as well as the COVID-19 protocols implemented by the CWDM and industries.

Air Quality Training

An AQO attended the following virtual training and/or workshops over the reporting period:-

- NACA – Meeting on “When NEMA & NEM: AQA Apply to a Facility – What You Need To Know” – August 2020
- Department of Environment, Forestry and Fisheries (DEFF) – NAEIS Auditing Training – September 2020
- DEFF – Consultative Meeting on formulating Draft Odour Management Guidelines – November 2020
- DEFF – Brick Manufacturing Industry National Verification Results on NAEIS Meeting – November 2020
- DEFF – National Dust Control Regulations Implementation Training – November 2020
- DEFF – AEL Licence Online Application: SAAEILIP Training – November 2020

- NACA – 2020 NACA Virtual Conference – November 2020
- Department of Environmental Affairs and Development Planning (DEA&DP) – Garden Route Clean Fires Programme Virtual Workshop – December 2020
- DEFF – Multi-Stakeholder consultation workshop for proposed amendment for Section 23 notices (Small boilers and Temporary mobile Asphalt plant) – January 2021
- DEFF – NAEIS Refresher training for Category 5: Mineral Processing, Storage and Handling – February 2021
- DEFF – Consultation Workshop on the Manual for Air Quality Management Planning Review – February 2021
- DEFF – National Atmospheric Emissions Inventory System Update Training – March 2021

Air Quality Monitoring

Three DEA&DP-maintained ambient air quality monitoring stations are in operation within the CWDM as part of the Western Cape Ambient Air Quality Monitoring Network. The Worcester ambient air quality monitoring station also reports as part of the DEFF National Air Quality Indicator (NAQI). Data collected from these monitoring stations during the reporting period indicated generally good air quality within the respective areas. Seasonal deviation was evident with the monitored indicator pollutants at these stations. National load shedding resulted in reduced data recovery and in some cases damaged data loggers.

Table 1: *Ambient Air Monitoring Stations in CWDM*

LOCATION	STATUS
Meirings Park Electrical Substation, Worcester	Operational
CWDM Office, Dorp Street, Stellenbosch	Operational
Traffic Department, Van Riebeeck Road, Paarl	Operational

In addition, the reporting of annual monitored data is a set condition of authorisation within all Section 21 listed activities atmospheric emission licenses and similarly, all Section 23 has to report compulsory annual monitored data to the district in accordance with applicable legislation. Nationally, the unavailability of passive samplers due to the COVID-19 pandemic hampered the monitoring and reporting of continuous passive sampling at some of the facilities.



Images 1 and 2: In-stack monitoring for cremator's annual stack emission sampling

Intergovernmental Cooperation / Industry Working Groups

The CWDM has been implementing the goal of their AQMP to promote communication in relation to air quality management through close cooperation with the local municipalities. Although no formal service level agreement exists with the local municipalities within the CWDM, these municipalities were assisted in performing the function of air quality management if and when required. Local AQOs were included in meetings with DEA&DP, industry and the public on air quality matters within the local jurisdictions. Both district and local municipalities work together to address complaints resorting under municipal legislation over and above NEM: AQA.

The attendance of virtual meetings and providing feedback on air quality management on national, provincial and local municipal level with regard to the implementation of the NEM: AQA, the CWDM AQO gains experience in air quality management to strengthen and/or adjust current interventions towards air quality management in the district.

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

- New or amended legislation under NEMA and its SEMAs
- Distribution and sharing of air quality-related articles
- Quarterly and Special Western Cape Air Quality Officer and Noise Forum
 - Attendance of quarterly Provincial Air Quality Officers and Noise Forums

- Attendance of quarterly Provincial Western Cape AQMP Working Groups for implementation of the Provincial Western Cape AQMP
- Providing Input for the Western Cape Air Quality Officer's report 2020
- Meetings with different DEA&DP directorates and local municipalities on
 - NEMA Section 30 incidents
 - NEMA Environmental Authorisations
 - Re-zoning and/or departure applications

Managing Industry – Listed Activities and Controlled Emitters

All Section 21 listed activities and Section 23 controlled emitters in operation within the district are included in the CWDM emission inventory, as indicated in Table 2.

National Atmospheric Emission Reporting Regulations require facilities to report emission data in order to compile the national atmospheric emission inventory. All Section 21 facilities and Section 23 operators within the CWDM are registered with the National Atmospheric Emissions Inventory System (NAEIS) and report in terms of National Atmospheric Emission Reporting Regulations. For this reporting period, all these facilities in operation within the CWDM reported their emissions for the preceding year onto NAEIS. The CWDM performed an audit on all the Section 21 and Section 23 facilities' annual emission data and monitoring reports as submitted on NAEIS.

The CWDM assisted the DEA&DP Directorate Air Quality Management's designated environmental management inspectors with the DEA&DP AEL Compliance Inspection Programme in order to perform an environmental compliance inspection on 22 September 2020 at Worcester Bakstene. Due to COVID-19 exposure, the CWDM AQO could not attend this inspection but provided input for the pre-inspection and additional information as required by DEA&DP.

The CWDM assisted the following facilities to populate their atmospheric emission licence applications for submission to the South African Atmospheric Emission Licensing and Inventory Portal (SAAELIP). These facilities will be included in the CWDM emission inventory database in the future.

- Operation of a Category 10: Animal Matter Processing with the Bonnievale Abattoir proposed expansion of the micro-rendering plant.
- Prins Trust for the establishment of a Sub-category 8.2 listed facility to operate a crematorium on erf in Wellington.

Table 2: Section 21 Listed Activities and Section 23 Controlled Emitters

ACTIVITY	TYPE	ACTIVITY DESCRIPTION
Boland Bricks	Section 21	Clamp kilns
Cabrigo Brickfields	Section 21	Clamp kilns
Cape Lime	Section 21	Lime production
De Hoop Brickfields	Section 21	Brick production
Drakenstein Crematorium	Section 21	Crematorium
IC-SA Crematorium	Section 21	Crematorium
Naude Bakstene Bk	Section 21	Clamp kilns
Nuwejaarsrivier Landgoed t/a Paarl Brickfields	Section 21	Clamp kilns
McMillan Bricks	Section 21	Clamp kilns
RCL Foods	Section 21	Animal Rendering Plant
Rheinmetall Denel Munition	Section 21	Ammunition production
Twohil Company t/a Tulbagh Bricks	Section 21	Clamp kilns
Western Cape Provincial Veterinary Laboratory	Section 21	Veterinary Waste Incinerator
Worcester Bakstene	Section 21	Clamp kilns
Ashton & Langeberg Foods	Section 23	Small Boiler - Coal
Ceres Fruit Juices	Section 23	Small Boiler - Coal & HFO
Ceres Fruit Processors	Section 23	Small Boiler - Coal
Distell	Section 23	Small Boiler - Coal
Wharshay Investments T/a KWV	Section 23	Small Boiler - Coal

Air Quality-related Complaints

The CWDM reported less air quality-related complaints during this reporting period. The reduction in complaints could be attributed to the COVID-19 pandemic regulations and subsequent lockdown implementations, as industries such as brick manufacturing facilities showed a reduction in production. The higher rainfall within the district could be a contributor to the decline in dust complaints.

The bulk of the air quality-related complaints received over this period was from non-listed activities. The CWDM was actively involved in assisting local municipalities to address complaints. The more complex complaints were addressed through intergovernmental interaction between DEA&DP, local AQOs and the CWDM AQO.



Image 3: Investigation into possible offensive odour/dust from bath manufacturer in Worcester



Image 4 and 5: Investigation into possible offensive fumes from manufacturing of plastic film used in the food industry in Paarl

Table 3: Air Quality Complaints

COMPLAINTS	July - Sept	Oct - Dec	Jan - March	April - June
Fumes	2	1	1	0
Smoke	3	1	2	2
Dust	1	3	1	1
Burning waste/Tyres	1	2	1	5
Farm land burning	1	0	2	2
Crop spraying	2	0	1	0
Offensive odours	4	4	7	4
TOTAL	14	11	15	11

Successes

- The working relationship fostered between crematoriums in operation within the CWDM to ensure reporting on the operations of these crematoriums during the COVID-19 pandemic.
- Successful intergovernmental working relationship with local municipalities and DEA&DP to address air quality management within the district to ensure minimum adverse impacts on the receptor community and the environment.

COMPONENT H: SECURITY AND SAFETY

DIVISION: DISASTER MANAGEMENT SERVICES

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

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

The functions of Disaster Management includes:

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

In terms of Section 51 of the Disaster Management Act, 2002 (Act No. 57 of 2002), the CWDMC established a Disaster Management Advisory Forum that consists of representatives from the five local municipalities, provincial and national departments and other disaster management role-players. This forum meets on a bi-annual basis. The forum meetings provide the CWDMC with an opportunity to engage role-players on the disaster management-related activities taking place in the district. This is an important platform in order to provide members with important information such as seasonal forecasts and reports on significant incidents or disasters that have occurred in the district. The meetings for 2020/21 took place in November 2020 and May 2021.

During the financial year, the Disaster Management Division also provided:

Capacity at the local municipalities: The division has assisted Langeberg, Breede Valley and Witzenberg municipalities with an intern to assist with the function of disaster management. The provision of an intern is the first step to build capacity within these municipalities. In many municipalities, the function of disaster management is the responsibility of the Chief Fire Officer and

they do not have a designated Disaster Management Officer to perform the function of disaster management. The Disaster Management Division also assisted the Breede Valley, Drakenstein, Stellenbosch and Witzenberg municipalities with an incident reporting, management and communication system to assist with the coordination of disaster management in the district.

Early warnings: The division provides early warnings to all Disaster Management Advisory Forum members, local municipalities and internal departments. During the 2019/20 financial year, the following information was distributed regularly:

- Weekly dam level reports
- Weather alerts disseminated. These weather alerts included flooding, damaging winds, heavy rain, snow, veld fires, extreme heat, high discomfort values, heat waves and severe weather
- Weekly weather outlooks sent to local municipalities
- Impact-based severe weather warnings sent to local municipalities
- Various health communications, situation reports, etc.

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

Coordination of COVID-19: The division established a COVID-19 Joint Operations Centre for the purpose of the coordination of response and relief effort for the COVID-19 pandemic.

COVID-19 awareness: The division focused their awareness efforts around COVID-19 prevention. Key-ring hand sanitisers were procured and distributed across the district. The division also collaborated with the Communications Division for the development of a COVID-19 version of Snakes and Ladders to be distributed to schools.

Partnership for risk and resilience: On 28 June 2019, the Cape Winelands District Municipality entered into a three-year memorandum of understanding agreement with SANTAM as part of the Partnership for Risk and Resilience programme. The objective of the partnership is to reduce risk and build capacity in municipalities and local communities. During the second year of the partnership, SANTAM and their co-partners SASRIA assisted the Cape Winelands with the following:

- 3 626 smoke alarms were distributed to the local municipalities.
- Fire equipment was provided to the Fire Services of the five local municipalities.
- A disaster management and first aid training course was provided to disaster management volunteers.
- Water safety training was conducted by the NSRI in schools.
- A multipurpose resource centre was opened in De Doorns. This centre includes a 10-seater computer room, two 8-seater meeting rooms, a 60-seater training room and security. Numerous programmes for community members have been conducted from the centre. These include a creative writing and book publishing course, hydroponics workshop, SITE learning programme for early childhood development educators and a national qualification (NQF level 4) for 20 early childhood development educators.
- Investigation into the development of a CCTV network and monitoring facility to try to reduce the number of incidences of the looting of trucks.
- Development of a Disaster Ready Communications strategy and toolkit.

International Day for Disaster Risk Reduction (IDDRR) Webinar: In celebration of IDDRR, SANTAM sponsored a webinar around the 2020 theme of good governance. The webinar was used to highlight the theme of good governance through the analysis and discussion of disaster risk.

Statistics for Disaster Management:

- 89 food parcels distributed to families affected by incidents
- 56 blankets distributed to families affected by incidents
- 100 packs of sanitary towels provided
- 77 warm meals provided to people displaced by a fire in De Doorns
- 1 700 keyring hand sanitisers distributed to community members
- 3 626 smoke alarms distributed to the local municipalities
- 16 people trained in disaster management and first aid
- 40 COVID-19 JOC meetings took place
- 24 286 school learners were taught about water safety

DIVISION: FIRE SERVICES

LEGISLATIVE MANDATE

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

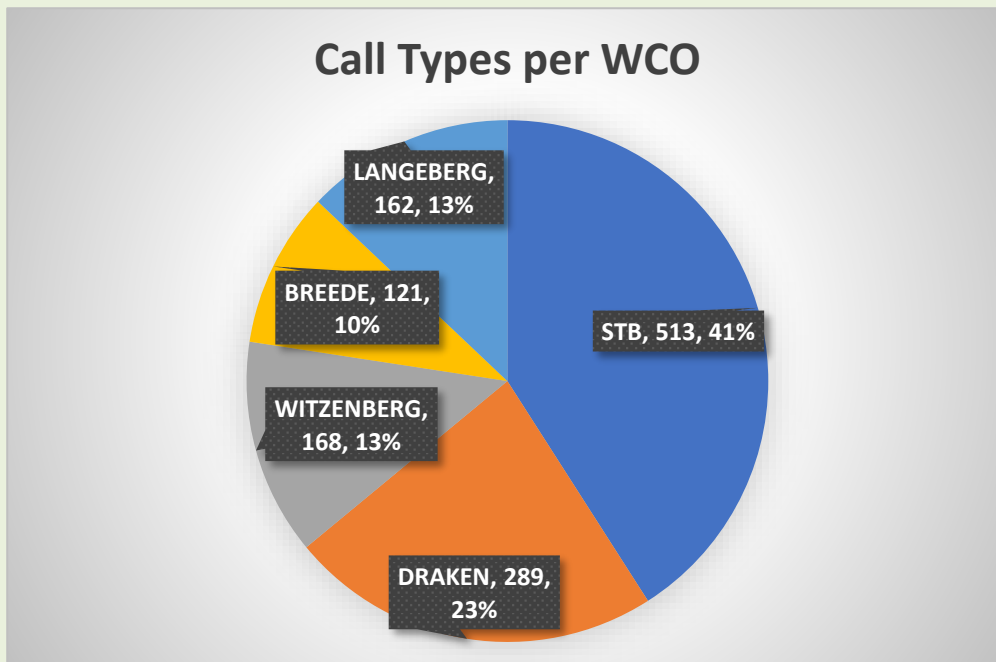
- preventing the outbreak or spread of a fire;
- fighting or extinguishing a fire;
- the protection of life or property against a fire or other threatening danger;
- the rescue of life or property from a fire or other danger;
- the performance of any other function connected with any of the matters referred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

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

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

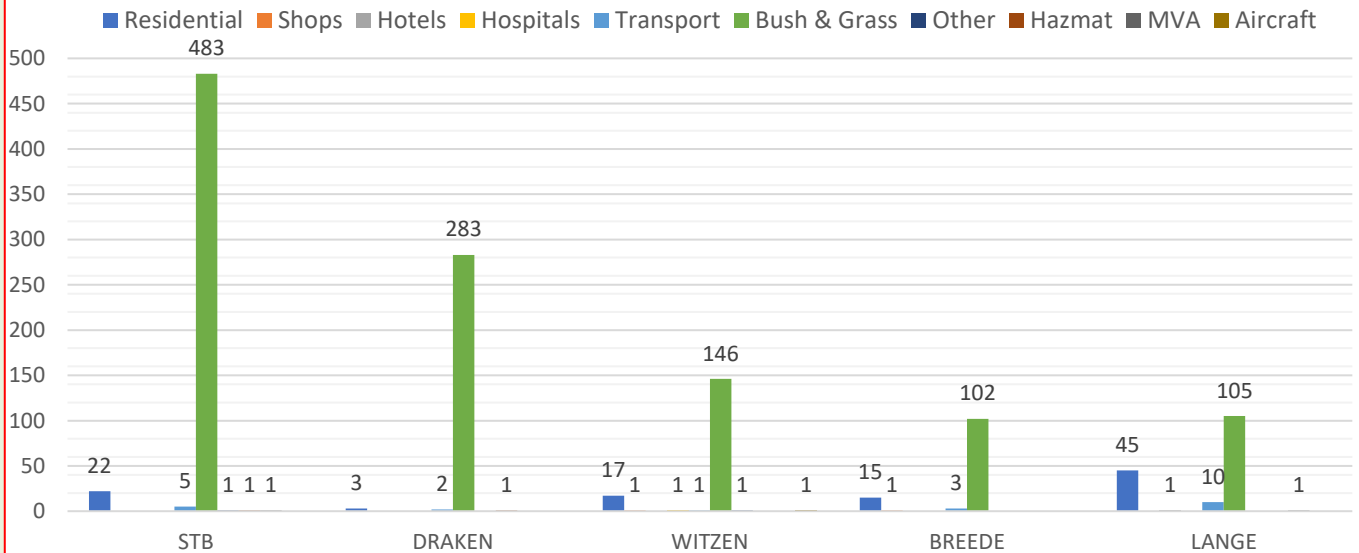
EMERGENCY INCIDENTS

The Fire Services attended to a total of 1 253 calls from 1 July 2020 to the period ending June 2021. The pie chart below indicates our response within each local municipal area.



* **WCO:** demarcation code for Local Municipalities

CALL TYPES



CAPE WINELANDS FIRE & RESCUE TRAINING ACADEMY

The Academy was under severe pressure during the past year, mainly due to the shortage of training personnel and the negative impact of the COVID-19 pandemic. Despite the challenges, the academy still managed to train 60 Fire Officers, which includes our own and those from our partners and neighboring municipalities.

The Quality Council for Trades and Occupations (QCTO) has set policies to accredit Skills Development Providers (SDPs). This is to ensure that education and training in occupations and trades offered in the country are credible and valid. The QCTO, after receiving our application, conducted a site inspection of the Academy and accredited the CWDM to offer the Occupational Certificate: Firefighter at NQF level 4.

COVID-19 RESPONSE

The Cape Winelands Fire Services' response to its community is activated by a request from its local municipalities. For that reason, we have assisted Witzenberg Municipality on several occasions. Initially, we assisted by decontaminating office buildings where COVID-19 cases were confirmed and then we were requested to do large-scale preventative activities. These activities included the 'sanitising programme' where public spaces such as roads, taxi ranks and public toilets were identified in various areas to be serviced on a regular bases.

INTER-AGENCY INVOLVEMENT

Cape Winelands District Veld Fire Workgroup

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

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

Local municipalities

The CWDM has mutual aid agreements with all the local municipalities in the district. They assisted our Fire Services at major fires, and when we experienced a high number of fires and our resources were stretched to the limit. We have assisted our local municipalities on 138 occasions, and they have assisted us on 32 occasions.

Fire Protection Association

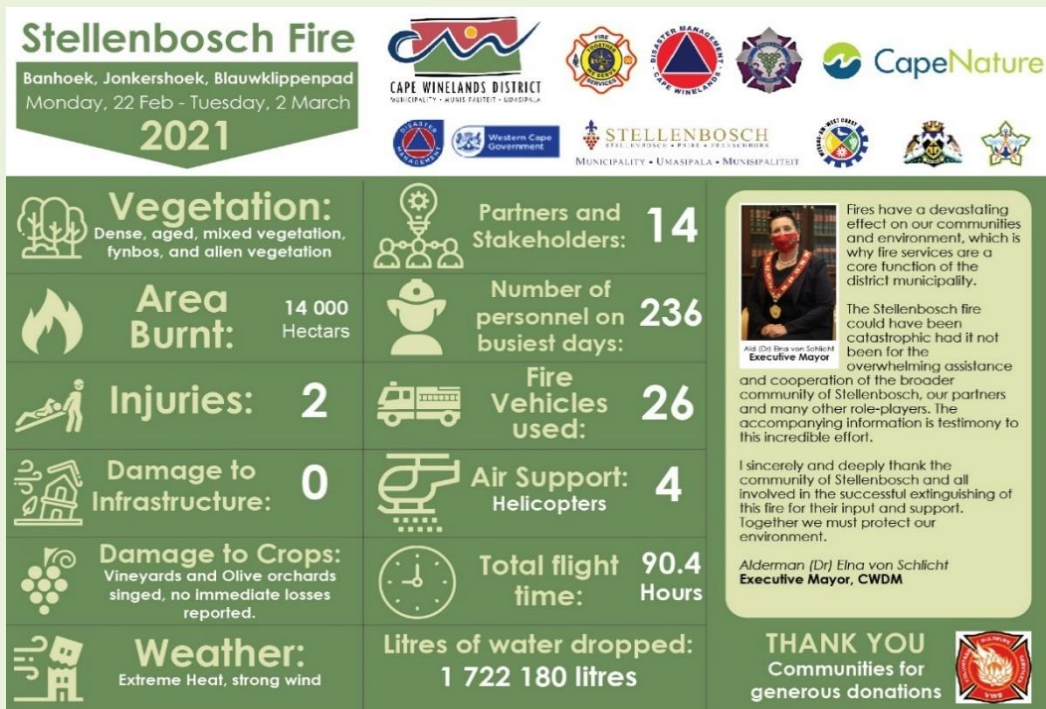
The Winelands Fire Protection Association is functioning very well, and this organisation is maturing, as envisaged by the National Veld and Forest Fire Act. It is also the intention to ensure that there is a coordinated and standardised approach to the management of fire risk within the district, such as the specifications and siting of firebreaks, equipment and training of members, etc. The CWDM has made 23 489 km of strategic firebreaks throughout the district.

VELD FIRE SEASON

The fire season has not been the most challenging fire season ever endured but it was still a busy season with a very stressful period during the months of November to February. The Fire Services responded and attended to 1 062 fires reported from 1 November 2020 to 30 April 2021.

Although the numbers are not extraordinary on their own and consistent with previous years, the biggest problem has been the number of simultaneous fires occurring, which resulted in the resources of various agencies being stretched beyond the limits. Apart from the number of simultaneous fires, the extreme weather conditions over extended periods such as high temperatures and strong winds also contributed to making suppression operations very difficult. Incident management teams were deployed to manage incidents that were categorised as major veld fires and established incident command posts to ensure the safety of the fire crews and to coordinate the incident action plans.

The most devastating and destructive fire for the season originated in the Overberg region on 22 February 2021 and spread into our district on 23 February 2021. The major incident referred to as the 'Ou Werf/Boesmanskloof' fire was eventually extinguished and the area was declared safe on 2 March 2021. The infographic prepared by our Communications Division below summarises the incident well.



Most of the other fires were brought under control and extinguished either within hours or limited to a few days. This is due to the agreed veld fire season response plan of large-scale rapid attack with various resources to the identified high-risk areas. The high number of fires could only be attended to in many instances with the assistance of our local municipalities, Cape Nature, members of the Winelands Fire Protection Association, contracted ground veld firefighting crews and aerial firefighting support.

The total cost to Cape Winelands for the use of aerial support and ground veld fire crews for the season amounts to approximately R9 536 378. The Western Cape Government also assisted Cape Winelands by providing aerial support as initial attack on a number of occasions. The incident management teams and fire crews did extremely well to manage the incidents and avoid catastrophic fires. No serious damage to property was reported and other damages include vineyards, orchards, water pipes, water tanks, fences, etc.

The firefighters and pilots displayed tremendous dedication, commitment and skill during the past season. Were it not for their exceptional work, Cape Winelands would have experienced far greater damage and losses of property and risks to lives.

FINANCIAL AND STRATEGIC SUPPORT SERVICES

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

EXECUTIVE AND COUNCIL

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

Introduction to Executive and Council

Vision

A unified Cape Winelands of excellence for sustainable development

Mission

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

Core Values

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

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

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

PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICES

Introduction: Legal Services

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

Legal priorities

- Legal compliance;
- Legal support to the Executive Mayor, Speaker and Municipal Manager, Heads of Department, Council, committees, departments and divisions;
- Legal advice pertaining to draft policies and contracts;
- Written and/or oral opinions;
- Finalisation of legal documents; and
- Labour 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 CWDM, many targets have been achieved, thereby strengthening the work relationship and effective teamwork between the various parties. Legal implications and opinions are provided on a continuous basis on all Council, Mayoral Committee and other committee agenda items.

Introduction: Property Management

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

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

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

Property Management Priorities

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

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

- appropriate systems of financial management and internal control are established and carried out diligently;
- the financial and other resources of the district municipality are utilised effectively, efficiently, economically and transparently;

- any unauthorised, irregular, fruitless or wasteful expenditure and losses resulting from criminal or negligent conduct are prevented;
- all revenue due to the district municipality is collected, for example rental income, relating to immovable assets;
- the systems, procedures and registers required to validate the financial values of the district municipality's immovable assets are maintained to standards sufficient to satisfy the requirements of the Auditor-General;
- financial processes are established and maintained in order to ensure the district municipality's financial resources are effectively utilised through appropriate asset plans, budgeting, purchasing, maintenance and disposal decisions; and
- the Municipal Manager is appropriately advised on the exercise of powers and duties relating to the financial administration of immovable assets.

Property Management impact

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

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

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

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

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

Comment on the performance of Property Services overall

No capital projects.

INFORMATION AND COMMUNICATION TECHNOLOGY

The municipal ICT environment does not function in a bubble. It is part of the international ICT environment and experiences both its opportunities and risks. Much of the ICT equipment used at the Cape Winelands District Municipality (CWDM) is developed by multinational corporations that integrate with the locally produced software. As a result, the impact of COVID-19 was especially

acute for ICT. The COVID-19 pandemic disrupted the global supply chains that deliver software and hardware to the CWDM. Working during the international fluctuating levels of lockdowns presented challenges and opportunities for ICT at the municipality.

ICT forms an integral part of the CWDM and is essential for critical activities performed by the municipality. The ICT requirements change continuously in response to threats and opportunities that technology presents. The speed at which we respond to the technology environment provides the CWDM with its tactical advantage. The standard 'norms' for computer use have changed. Computer users were spending extended periods of time working from home. This presented new network management and security challenges.

ICT security threats have steadily increased over the year. Ransomwear and hacking attempts have grown and this challenge has only increased with some personnel working from home.

The CWDM network covers 16 sites and had over 50 connections to the network from home office users at any given time. Connections from home offices is done through the virtual private network and access to the internet is through a firewall providing the required security. The municipality runs both cloud and on-premises applications and copies of all applications are available at our disaster management site.

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**

The municipality runs two Fujitsu primary Veemware host servers with a SAN (storage area network). There are 41 servers running off the two primary hosts and 19 terabytes of the 40 terabytes available of the SAN have been used.

- **BACKUP AND REPLICATION**

All production servers are backed up and replicated in real time to the disaster recovery centre. We have disk-to-disk backup, offsite tape backup as well as production and disaster recovery site replication.

NETWORKING AND SECURITY

The CWDM network covers 16 sites spread across the district. The interconnectivity is achieved through a blend of technologies appropriate to both cost and throughput needs of each site. During this financial year, the performance in respect of the network requirements of all sites has been met within performance bands and the required connectivity has been stable. The throughput capability has been designed to meet the current and future demands.

The security of the network is achieved by a blended solution of hardware firewalls, antivirus software and cloud-based email screening. The virus protection application is installed on all computers and is updated continuously as new threats are identified. The email screening serves two purposes: It prevents sinister applications from accessing the network via email and monitors erroneous usage of email.

Security has refocused its efforts. The security was primarily focused on network and application security. With the new way of working, the security focus has been on endpoint, cloud and internet security.

- **PROJECTS**

- a. Security assessment: With the new distributed working environment in place, vulnerability testing needed to be increased. The CWDM adopted OpenVas for vulnerability and intrusion testing. The test was run every quarter with a renewed focus on Endpoint accessibility.
- b. Mobile Device Management (MDM): To manage the laptops, tablets and other mobile devices needing access to the Cape Winelands network, the MDM was implemented. This adds to the security capability by allowing control over mobile devices that interact with the network.
- c. Robotic Process Automation capability: With the 4th industrial revolution in full sway, the ICT unit has implemented a software robot. The bot is deployed to assist with responses to the barrage of network vulnerabilities that must be dealt with. This is the first software robotics project for the CWDM. The bots are used to assist the ICT unit but will be rolled out to the rest of the municipality in the coming year.
- d. Application implementation: The CWDM has implemented an in-house tracking system for complaints and input by the public related to Technical Services. The system is used to provide management information surrounding these interactions and better manage responses.
- e. Application implementation: The CWDM has implemented a Written Price Quotation tracking system. This in-house developed system provides management information surrounding this important supply chain management system.
- f. The ICT policy framework was reviewed and is in line with guidelines received from SALGA.

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

INTRODUCTION

In terms of Section 38 of the MSA, a municipality needs to establish a performance management system. Regulation 7 of the Local Government: Municipal Planning and Performance Management Regulations further sets out the components of a performance management system.

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

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

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

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

Employee performance management is a vital process of a municipality. Therefore, it is imperative that performance management principles are integrated into the organisational processes and aligned with the district municipality's IDP. 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 within the Cape Winelands district borders. To achieve the aforementioned, the measurements of individual performances within the municipality are important. Organisational KPIs are continuously developed, updated and aligned to organisational objectives. The CWDM always attempts to ensure that these KPIs are specific, measurable, achievable and realistic and linked to a specific timeframe (SMART). A complete institutional performance management system must incorporate a comprehensive employee performance management system. The Individual Performance Management Policy has been designed to assist with performance management within the CWDM of employees appointed in terms of Section 55(1)(e) of the MSA.

During the 2016/17 year, the CWDM established an Individual Performance Management Steering Committee to guide the implementation of individual performance management within the organisation via an approved Individual Performance Management Policy (adopted by Council in June 2016).

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

Flowing from the above, the following processes were implemented during the 2016/17 financial year, with an amendment to the latter in September 2017:

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

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

<u>Year 1 - Year 3</u>	From 01 July 2016 to 30 June 2019
	Include only managers reporting directly to the Municipal Manager and Section 56 Managers
<u>Year 4</u>	From 01 July 2019 to 30 June 2020
	Cascading down to T13
<u>Year 5</u>	From 01 July 2020 to 30 June 2021
	Cascading down from T12 - T6
<u>Year 6</u>	From 01 July 2021 to 30 June 2022
	Cascading down from T5 - T3

In June 2020, the IPM Project Plan was further extended to allow for the following organisational and operational challenges. The challenges included: The cascading-down of the implementation of individual performance management for Year 4, to be extended by one (1) year. Operationally, the challenges vary from the stability of the current electronic system being utilised for the implementation of individual performance management (Collaborator), to the refinement of organisational and individual KPIs in line with new posts on the organisational structure and the out flux of retirees impacting on middle and senior management levels.

The motivation behind the additional two-year extension for Year 5 (from 01 July 2021 to 30 June 2024: T12 - T6) stems from the fact that the majority of first-line supervisors fall within these levels. The academic and professional levels of the affected officials (within this group) are much lower than the previous groups and require proactive training on professional and strategic management functions. For the effective planning, implementation, measurement, monitoring, improvement and sustainability of employee performances, officials on T12-T6 levels must be sufficiently trained beforehand to ensure the effective implementation of individual performance management on the aforementioned levels.

Thus, the extensions per the indicated years are as follows:

Year 4 (from 01 July 2019 to 30 June 2021) – Cascading down to T13

Year 5 (from 01 July 2021 to 30 June 2024) – Cascading down from T12 - T6

Year 6 (from 01 July 2024 to 30 June 2025) – Cascading down from T5 - T3

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

In addition, the approved 4th generation IDP formed the foundation of new KPIs for the 2020/21 and outer financial years. A number of new KPIs were therefore included in the organisational, Municipal Manager and Section 56 Managers' scorecards.

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

The performance of the municipality should be integrally linked to the performance plans of all staff. It is important to link organisational performance to individual performance and to manage both at the same time, however separately. For example, the performance plans of line managers must be aligned with the departmental SDBIPs and organisational performance plan.

In terms of middle management and lower post levels, employees' job descriptions will guide them with the planning of the performance plans, career development and development of individual KPIs.

In addition to the above, the CWDM has also developed an electronic Employee Efficiency Monitoring Tool (EEM). The purpose of the EEM is to manage and improve efficiency by enabling a higher level of staff participation and involvement in planning, delivering and evaluation of work performance. The EEM tool will ultimately be completed by all employees not evaluated on the formal performance management system.

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, VACANCIES AND TERMINATIONS

EMPLOYEE TOTALS

EMPLOYEES					
Description	YEAR -1: 30 JUNE 2020	YEAR 0: 30 JUNE 2021			
	Number of employees	Number of approved posts	Number of employees	Number of vacancies	Vacancie s %
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	0	0	0	0	0%
Waste Water (Storm Water Drainage)	0	0	0	0	0%
Roads	151	186	154	32	17,20%
Transport	1	2	1	1	50%
Planning	1	1	1	0	0%
Local Economic Development	4	4	4	0	0%
Community and Social Services	14	15	13	2	13,33%
Environmental Protection	0	0	0	0	0%
Health	50	52	49	3	5,76%
Public Safety	61	77	58	19	24,67%
Sport and Recreation	0	0	0	0	0%
Corporate Policy Offices and other	139	152	133	19	12,5%
TOTALS	420	489	413	76	15,54%

EMPLOYEES: THE EXECUTIVE AND COUNCIL					
JOB LEVEL	YEAR -1: 30 JUNE 2020	YEAR 0: 30 JUNE 2021			
	Number of employees	Number of posts	Number of employee s	Number of vacancies (full-time equivalent s)	Vacancies (as a % of total posts)
T1 – T3	0	0	0	0	0
T4 – T8	6	6	6	6	0
T9 – T13	3	3	3	3	0
T14 – T17	0	0	1	0	1
T18 – T19	0	0	0	0	0
MM & Section 56 employees	4	4	4	4	0
Councillors	41	41	41	41	0
TOTAL	54	54	55	54	1

EMPLOYEES: FINANCIAL SERVICES					
JOB LEVEL	YEAR -1: 30 JUNE 2020	YEAR 0: 30 JUNE 2021			
	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	9	12	11	1	8,33%
T9 – T13	16	16	13	3	18,75%
T14 – T17	5	5	5	0	0%
T18 – T19	1	1	1	0	0%
TOTAL	31	34	30	4	11,76%
T3.25.6					

EMPLOYEES: HUMAN RESOURCE SERVICES					
JOB LEVEL	YEAR -1: 30 JUNE 2020	YEAR 0: 30 JUNE 2021			
	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	1	0	1	100%
T9 – T13	5	6	5	1	16,66%
T14 – T17	1	1	1	0	0%
T18 – T19	1	1	1	0	0%
TOTAL	7	9	7	2	22,22%

EMPLOYEES: ROAD SERVICES					
JOB LEVEL	YEAR -1: 30 JUNE 2020	YEAR 0: 30 JUNE 2021			
	Number of employees	Number of posts	Number of employees	Number of vacancies (full-time equivalents)	Vacancies (as a % of total posts)
T1 – T3	47	56	56	0	0%
T4 – T8	91	105	85	20	19,04%
T9 – T13	10	17	8	9	52,94%
T14 – T17	2	6	4	2	33,33%
T18 – T19	1	2	1	1	50%
TOTAL	151	186	154	32	17,20%

EMPLOYEES: ICT SERVICES					
JOB LEVEL	YEAR -1: 30 JUNE 2020	YEAR 0: 30 JUNE 2021			
	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	1	1	0	0%
T18 – T19	0	0	0	0	0%
TOTAL	7	7	6	1	14,28%

EMPLOYEES: PLANNING SERVICES					
JOB LEVEL	YEAR -1: 30 JUNE 2020	YEAR 0: 30 JUNE 2021			
	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%
TOTAL	1	1	1	0	0%

EMPLOYEES: LOCAL ECONOMIC DEVELOPMENT SERVICES					
JOB LEVEL	YEAR -1: 30 JUNE 2020	YEAR 0: 30 JUNE 2021			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
T1 – T3	0	0	0	0	0%
T4 – T8	1	1	1	0	0%
T9 – T13	2	2	2	0	0%
T14 – T17	1	1	1	0	0%
T18 – T19	0	0	0	0	0%
TOTAL	4	4	4	0	0%

EMPLOYEES: HEALTH INSPECTION, ETC.

JOB LEVEL	YEAR -1: 30 JUNE 2020	YEAR 0: 30 JUNE 2021			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
T1 – T3	0	0	0	0	0%
T4 – T8	0	0	0	0	0%
T9 – T13	41	44	42	2	4,54%
T14 – T17	9	8	7	1	12,5%
T18 – T19	0	0	0	0	0%
TOTAL	50	52	49	3	5,76%

EMPLOYEES: DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC.					
JOB LEVEL	YEAR -1: 30 JUNE 2020	YEAR 0: 30 JUNE 2021			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
T1 – T3	0	0	0	0	0%
T4 – T8	0	0	0	0	0%
T9 – T13	3	4	3	1	25%
T14 – T17	1	1	1	0	0%
T18 – T19	0	0	0	0	0%
TOTAL	4	5	4	1	20%

EMPLOYEES: FIRE SERVICES					
JOB LEVEL	YEAR -1: 30 JUNE 2020	YEAR 0: 30 JUNE 2021			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Chief Fire Officer and Deputy	2	2	1	1	50%
Other Fire Officers	1	0	0	0	0%
T1 – T3	0	0	0	0	0%
T4 – T8	17	19	16	3	15,78%
T9 – T13	41	55	40	15	27,27%
T14 – T17	0	1	1	0	0%
T18 – T19	0	0	0	0	0%
TOTAL	61	77	58	19	24,67%

EMPLOYEES: PROPERTY, LEGAL, IDP, PERFORMANCE & RISK MANAGEMENT AND PROCUREMENT SERVICES		
JOB LEVEL	YEAR -1:	YEAR 0: 30 JUNE 2021

	30 JUNE 2020				
	Number of employees	Number of posts	Number of employees	Number of vacancies (full-time equivalents)	Vacancies as a % of total posts
T1 – T3	14	13	12	1	7,69%
T4 – T8	14	15	12	3	20%
T9 – T13	10	14	12	2	14,28%
T14 – T17	5	5	5	0	0%
T18 – T19	1	1	1	0	0%
TOTAL	44	48	42	6	12,5%

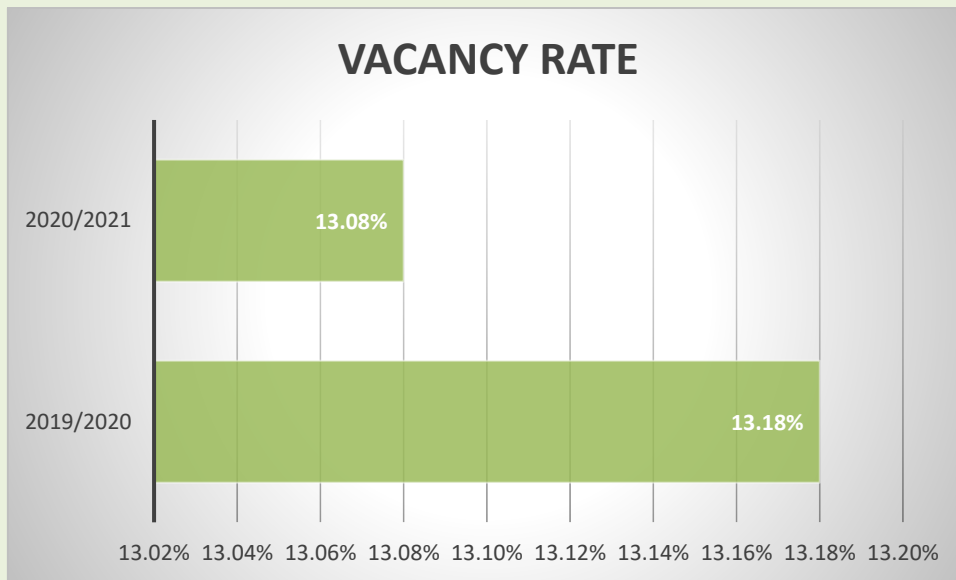
VACANCIES

VACANCY RATE: 2020/21			
Designation	Total approved posts	Vacancies (Total time that vacancies exist using full-time equivalents)	Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	0	0%
Chief Financial Officer	1	0	0%
Other S56 Managers (excluding finance posts)	2	0	0%
Other S56 Managers (finance posts)	0	0	0%
Police Officers	0	0	0%
Firefighters	70	17	24,28%
Senior Management levels T18 – T19 (excluding finance posts)	5	1	20%
Senior Management levels T18 – T19 (finance posts)	1	0	0%
Professionally qualified levels T14 – T17 (excluding finance posts)	30	4	13,33%
Professionally qualified levels T14 – T17 (finance posts)	5	0	0%

COMMENT ON VACANCIES AND TURNOVER

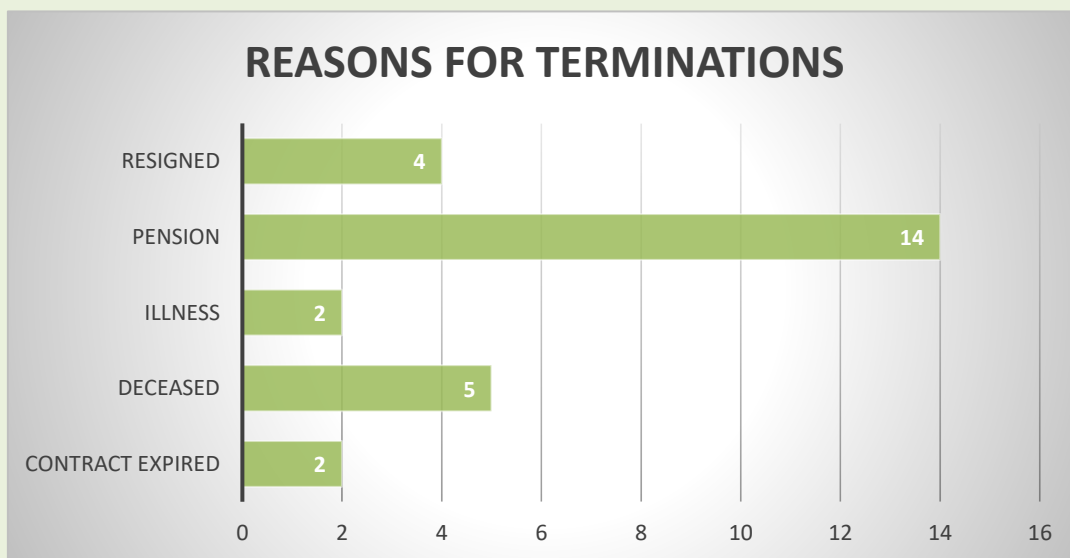
The post of Municipal Manager and all Section 56 posts were filled during the 2020/21 financial year.

On 30 June 2021, the approved staff establishment of the CWDM consisted of a total of four hundred and eighty-nine (489) posts of which four hundred and thirteen (413) were filled and seventy-six (76) were vacant. Of the total of seventy-six (76) vacancies, only sixty-four (64) were budgeted during the 2020/21 financial year, resulting in a vacancy rate of 13,08%. The vacancy rate over the past two financial years calculated on budgeted vacancies is best reflected as follows:



TERMINATIONS

A total of twenty-seven (27) employees terminated services at the CWDM during this period for the following reasons:



TURNOVER RATE			
Details	Total number of employees as at beginning of financial year	Total number of terminations for the financial year	No.
2019/20	408	19	4,66%
2020/21	420	27	6,42%

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The COVID-19 pandemic had a significant impact on training and development within the CWDM. Furthermore, this impact was experienced on various levels and areas of training and development (amongst others):

Internal impact

- Operationally, the three lockdown periods severely hampered the organisation. Training programmes had to be cancelled or postponed/rescheduled during these periods;
- Virtual/online training vs classroom-led training – impact on learners, specifically the ‘older’ learners and those with limited schooling and availability of online resources;
- Psychological impact on learners – anxiety, post-traumatic syndrome (loss of loved ones) and demotivated staff;
- Physiological impact on learners – physical consequences of ‘long COVID-19’ (long-term effect, e.g. tiredness);
- Supply chain management challenges – non-responsive bidders;
- Contractual challenges with training providers – extension/cancellation of contract.

External impact

- COVID-19 impact of private training providers and training institutions – working from home, availability of facilitators, assessors and moderators;
- Negative financial business impact on specifically private providers;
- No/limited SETA/QCTO accreditation for virtual/online courses.

In our efforts to address some of the aforementioned challenges, the CWDM was forced to develop and implement unconventional strategies and processes. The latter is a continuous process of trial-and-error, learning as we move forward:

Corrective measures employed

- Converting existing training contracts and developing new contracts by utilising the ‘blended mode’ of learning (i.e. combining virtual/online training with classroom-led training);
- Development and implementation of COVID-19 Training Guideline (safety);
- Adequately preparing learners to migrate from classroom-led training to virtual/online training;
- Ensuring that online resources are available to learners (laptops, data, etc.);
- Incorporating learner/staff motivation as an integral part of all training programmes;
- Providing constant learner support systems (e.g. Employee Wellness Programme).

All training initiatives implemented within the CWDM are directly linked via the SDBIPs to the CWDM IDP. For the 2021/22 financial year, the CWDM will continue with the prioritisation of training on Minimum Municipal Competency Levels (MMCL) as required in terms of the MFMA: Municipal Regulation on Minimum Competency Levels. Apart from new appointees, all affected officials complied with the mentioned regulations.

Regulatory developments affecting machine operators as determined by the Driven Machinery Regulation 18(1) and the National Code of Practice for Training Providers to Lifting Machines steered the CWDM into the implementation of various interdependent technical training programmes. This

focus will continue to ensure full compliance with the mentioned regulations and associated occupational health and safety legislative requirements. In addition, and as a result of our aged staff component, the Department: Technical Services, Division: Roads experienced an exodus of experienced middle and senior management staff, which was mainly due to retirements, thus the current focus in this division is to develop internal staff members to fill these skills gaps and create a sufficient database of experienced and qualified officials. Therefore, learnerships such as the National Certificate: Road Construction (NQF 4) and the National Diploma: Road Construction Supervisor (NQF 5) are continuing. Learners completing the mentioned diploma course will become eligible for internal bursaries (via our Study Aid Programme) to complete their engineering degrees.

The successful Continuous Professional Development online training programmes now ensure annual compliance of environmental health practitioners (EHPs) as required by the Health Professions Council of South Africa (HPCSA). Our emergency workers (Firefighters and Disaster Management personnel) have been added to this continuous professional development programme. Additionally, through the annual Environmental Health Internship programme, the CWDM also ensures work-ready and qualified new EHP entrants into the South African labour force.

Internal Information, Communication and Technology challenges necessitated the organisation to prioritise training for the Division: Information and Communication Technology. In order to address these challenges and also to continuously upskill our ICT division, specialised ICT courses will always be a priority within the organisation.

Regulatory training such as Employment Equity Training was also affected and was implemented during this reporting period. This will continue during the 2021/22 year, thus ensuring compliance and addressing outstanding employment equity challenges.

Finally, the COVID-19 lockdown impacted the spending of the training budget by 27%. However, and fortunately for the CWDM, we commenced the focus moving towards e-learning programmes as from the 2015/16 year, thus lessening the current learning barriers experienced by other municipalities.

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

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

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

During the 2020/21 financial year, the CWDM gave continuous effect to the approval of a new Employment Equity Plan and the implementation of the 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.

EMPLOYMENT EQUITY FORUM

The CWDM Employment Equity Committee attended a two-day training course on 21 and 22 August 2020. On day two of the training course, the EE Committee elected a chairperson and a vice-chairperson. On 17 September 2020 the Division: Communications sent a communique to all CWDM employees to introduce the newly established Employment Equity Committee and launch the drafting of a new Employment Equity Plan and to inform employees of the barrier analysis monkey survey that will follow for their completion. The aim of the barrier analysis monkey survey was to conduct an analysis of the CWDM's employment policies, practices, procedures and the working environment to identify employment barriers that might be experienced by employees. At the quarterly meeting that was held on 29 September 2020, the EE Committee discussed the outcomes of the barrier analysis survey.

At the quarterly meeting that was held on 11 November 2020, the Employment Equity Committee was consulted on the Draft CWDM Employment Equity Plan, and consultations regarding the plan was also held at the Local Labour Forum on 27 October 2020 and 06 November 2020. Labour's further inputs were requested on Draft CWDM EE Plan on 19 November 2020. The final EE Plan was approved by the Municipal Manager on 01 December 2020 after receipt of all the inputs from labour. The Division: Communications communicated the newly approved CWDM Employment Equity Plan in the IMBIZO and all employees were informed that it is readily available on the CWDM public drive. The CWDM reported to the Department of Employment and Labour on the progress of employment equity at the CWDM and the EE report was submitted on 14 January 2021.

Two further quarterly meetings were held on 26 March 2021 and 25 June 2021. At the quarterly meetings, discussions were held around appointments, terminations and promotions in respect of a previous quarter, in comparison to the goals and targets set out in the approved CWDM Employment Equity plan. The Employment Equity Committee is monitoring and reviewing the progress of the implementation of the Employment Equity Plan and ensures that the employer complies with the requirements as set out in the plan. Challenges experienced during recruitment and selection processes are highlighted and the committee also jointly strives to find amicable solutions to address these challenges within the workplace.

EMPLOYEE WELLNESS

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

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

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

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

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

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

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

COVID-19 PANDEMIC

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

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

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

Council at item C.15.4 on 30 July 2020 granted delegated power to the Municipal Manager for the creation of an additional category of leave to accommodate employees who present with comorbidities, as certified by a registered medical practitioner, and who are at a higher risk of complications or death should they be infected with COVID-19 and are thus unable to return to the workplace and whose work is of such a nature that they cannot perform their duties and responsibilities remotely.

Vaccinations

The rollout of the vaccine will take a three-phase approach that begins with the most vulnerable in our population. The target is to vaccinate 67% of the population by the end of 2021, which will allow South Africa to achieve community immunity. Phase 1 focuses on health workers. Phase 2 focuses on persons who are 60 years and older and persons in congregate settings, followed by persons who are 50 years and older and 40 years and older. Phase 3 focuses on persons who are 18 years and older and persons who were not vaccinated during Phases 1 and 2. CWDM employees are also encouraged to receive their COVID-19 vaccines and ongoing awareness campaigns are held to inform staff about the safety of vaccines and to equip staff with proper facts around COVID-19 vaccines as a lot of fake news are being distributed that negatively impact the perception of staff about COVID-19 vaccines.

WORKFORCE PROFILE: DEPARTMENTS - JUNE 2021

	MALE				FEMALE			
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE
CWDM Targets	21,7%	23,3%	0,5%	8,5%	17,8%	20,5%	0,3%	7,4%
Office of the Municipal Manager: June 2021	0,0%	16,7%	0,0%	8,3%	33,3%	25%	0,0%	16,7%
Office of the Municipal Manager: May 2021	0,0%	16,7%	0,0%	8,3%	33,3%	25%	0,0%	16,7%
Financial & Strategic Support Services: June 2021	4,7%	22,4%	0,0%	5,9%	11,8%	36,5%	0,0%	18,8%
Financial & Strategic Support Services: May 2021	4,7%	22,4%	0,0%	5,9%	11,8%	36,5%	0,0%	18,8%
Community Development & Planning Services: June 2021	9,4%	41,1%	0,0%	22,7%	10,9%	14,8%	0,0%	0,8%
Community Development & Planning Services: May 2021	10,1%	41,1%	0,0%	22,5%	10,9%	14,7%	0,0%	0,8%
Technical Services: June 2021	35,5%	36,6%	0,5%	6,5%	9,1%	10,2%	0,0%	1,6%
Technical Services: May 2021	35,5%	36,6%	0,0%	7,0%	9,1%	10,2%	0,0%	1,6%
CWDM GLOBAL: JUNE 2021	19,9%	34,5%	0,24%	11,4%	10,9%	17,7%	0,0%	5,3%
CWDM GLOBAL: MAY 2021	20,1%	34,4%	0,0%	11,6%	10,9%	17,7%	0,0%	5,3%

WORKFORCE PROFILE: CWDM GLOBAL - JUNE 2021

	MALE				FEMALE			
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE
CWDM Targets	21,7%	23,3%	0,5%	8,5%	17,8%	20,5%	0,3%	7,4%
Top Management (June 2021)	0,0%	50,0%	0,0%	25,0%	0,0%	25,0%	0,0%	0,0%
Top Management (May 2021)	0,0%	50,0%	0,0%	25,0%	0,0%	25,0%	0,0%	0,0%
Senior Management (June 2021)	0,0%	25,0%	0,0%	0,0%	0,0%	50,0%	0,0%	25,0%
Senior Management (May 2021)	0,0%	20,0%	0,0%	20,0%	0,0%	40,0%	0,0%	20,0%
Professionally qualified and experienced specialists and mid-management (June 2021)	6,3%	34,4%	0,0%	28,1%	6,3%	15,6%	0,0%	9,4%
Professionally qualified and experienced specialists and mid-management (May 2021)	6,3%	34,4%	0,0%	28,1%	6,3%	15,6%	0,0%	9,4%
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (June 2021)	7,5%	34,7%	0,0%	21,8%	12,9%	18,4%	0,0%	4,8%
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (May 2021)	7,5%	34,7%	0,0%	21,8%	12,9%	18,4%	0,0%	4,8%
Semi-skilled and discretionary decision making (June 2021)	22,6%	42,6%	0,65%	2,6%	6,5%	18,7%	0,0%	6,5%
Semi-skilled and discretionary decision making (May 2021)	23,2%	42,6%	0,0%	2,6%	6,5%	18,7%	0,0%	6,5%
Unskilled and defined decision making (June 2021)	48,6%	15,7%	0,0%	1,4%	20,0%	12,9%	0,0%	1,4%
Unskilled and defined decision making (May 2021)	48,6%	15,7%	0,0%	1,4%	20,0%	12,9%	0,0%	1,4%
TOTAL: DISABLED – JUNE 2021	0,0%	0,24%	0,0%	0,72%	0,24%	0,24%	0,0%	0,72%
TOTAL: ALL EMPLOYEES – JUNE 2021	19,9%	34,5%	0,24%	11,4%	10,9%	17,7%	0,0%	5,3%
TOTAL: ALL EMPLOYEES – MAY 2021	19,2%	33,6%	0,0%	10,8%	12,8%	18,5%	0,0%	5,1%

All employees, including employees with disabilities

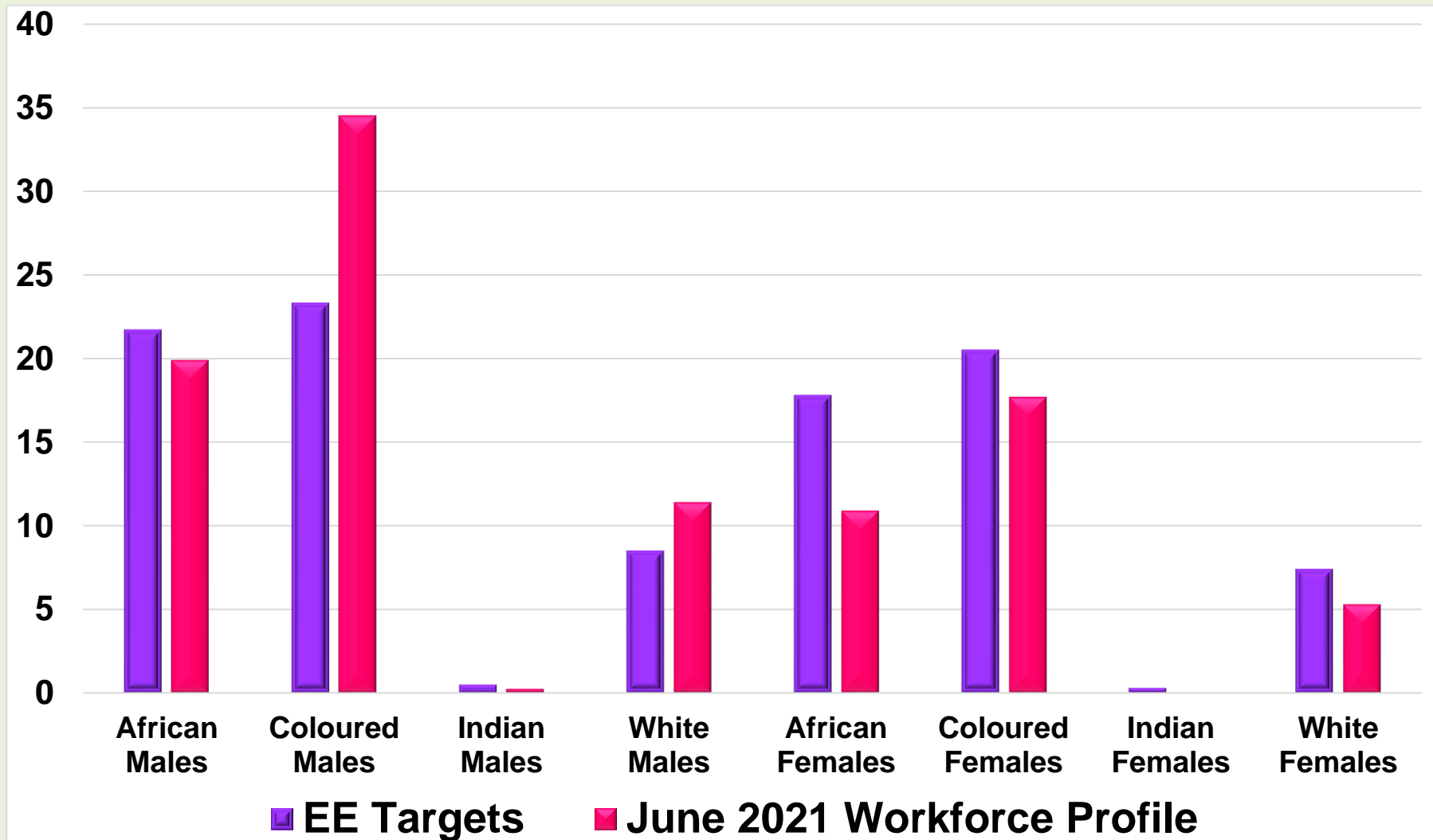
EMPLOYMENT EQUITY FIGURES 30 JUNE 2021

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	0	0	2	0	1	0	0	4
Professionally qualified and experienced specialists and mid-management	2	11	0	9	2	5	0	3	0	0	32
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	11	51	0	32	19	27	0	7	0	0	147
Semi-skilled and discretionary decision making	35	66	1	4	10	29	0	10	0	0	155
Unskilled and defined decision making	34	11	0	1	14	9	0	1	0	0	70
Total Permanent	82	142	1	47	45	73	0	22	0	0	412
Temporary Employees	5	9	0	1	15	12	0	1	0	0	43
Grand Total	87	151	1	48	60	85	0	23	0	0	455

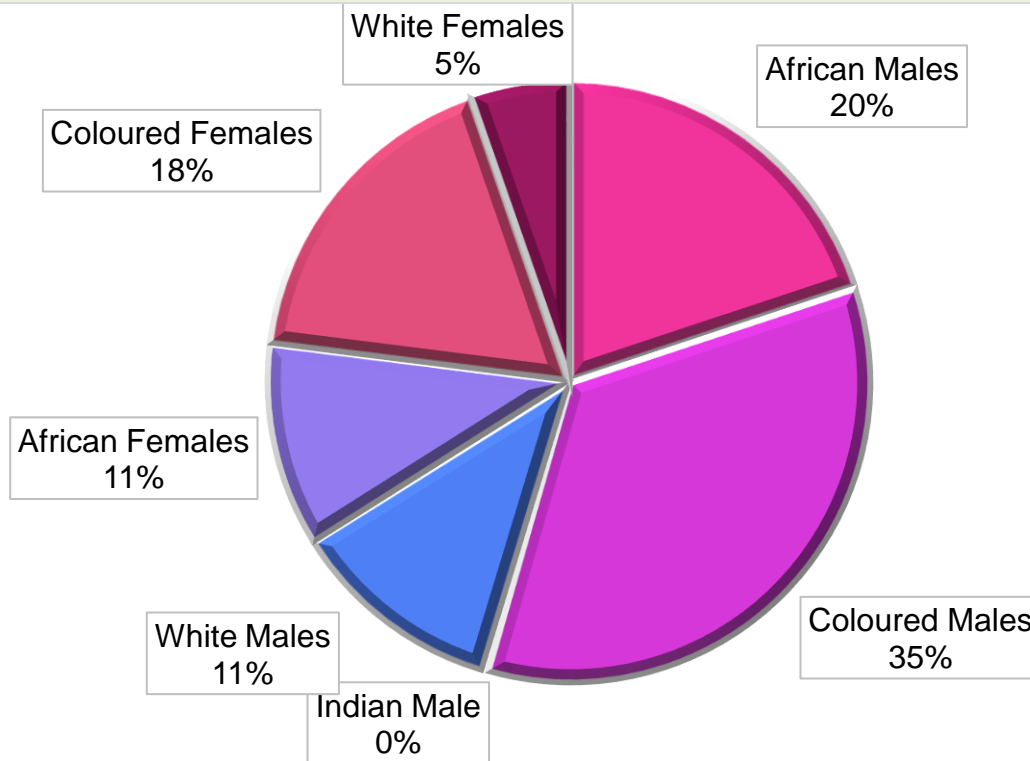
All employees with disabilities

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

JUNE 2021 WORKFORCE PROFILE COMPARED TO EE TARGETS

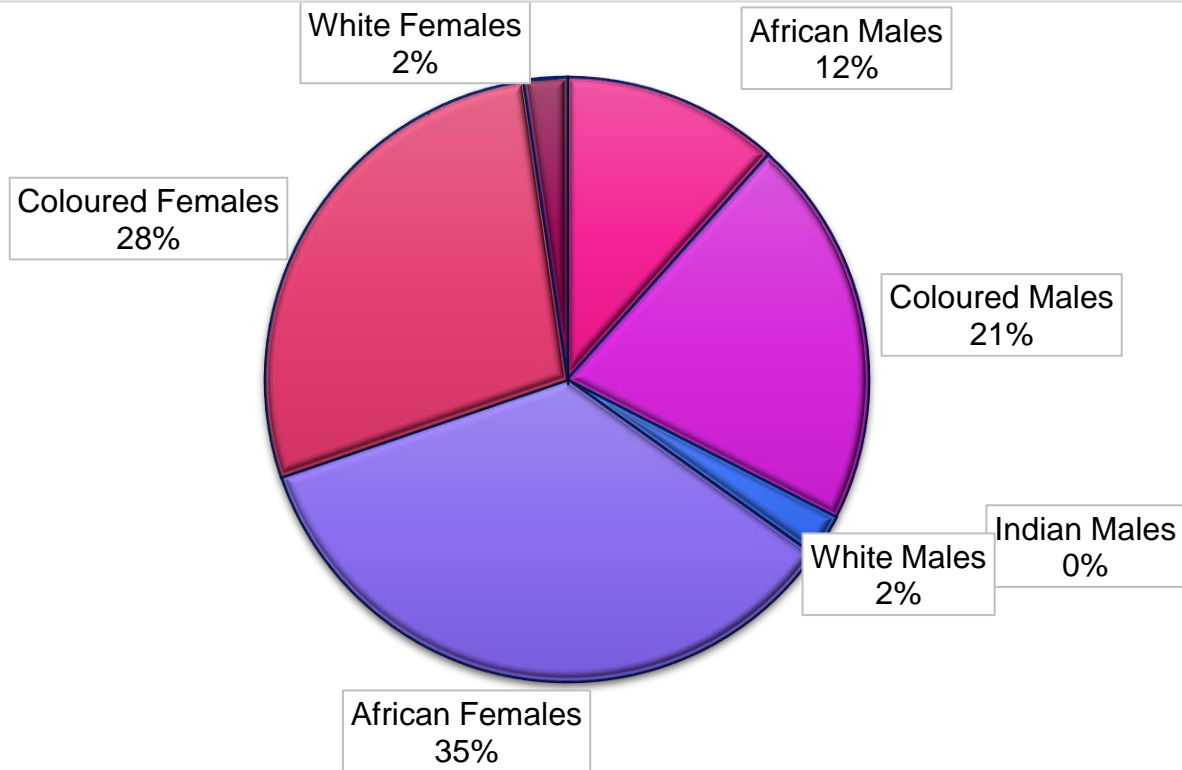


JUNE 2021 GENDER WORKFORCE PROFILE



- African Males
- Coloured Males
- Indian Male
- White Males
- African Females
- Coloured Females
- White Females

JUNE 2021 TEMPORARY EMPLOYEES



■ African Males

■ White Males

■ White Females

■ Coloured Males

■ African Females

■ Indian Males

■ Coloured Females

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 and Fraud Prevention Policy	100	04 March 2020	27 August 2020
2.	Acquisition and use of Cellular Telephones by Councillors	100		11 December 2002
3.	Appointment of Consultants Policy	100	28 May 2020	28 May 2015
4.	Accounting Policy	100		23 May 2013
5.	Asset Management Policy	100	22 May 2014 28 May 2015 25 May 2017 27 May 2019 28 May 2020	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	28 May 2020	14 April 2011
10.	Branding Policy	100	28 May 2020	28 May 2015
11.	Cash Management Policy and Investment Policy	100	28 May 2020	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	27 May 2019	28 May 2015
16.	Community Support Policy	100	28 May 2015 27 May 2019 28 May 2020	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	27 May 2019 28 May 2020	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
28.	Employee Assistance Programme Policy	100	August 2021 (in process)	25 April 2012
29.	Employee Driving Licence Assistance Policy	100	27 June 2014	17 February 2011
30.	Employee Study Aid and Leave Policy	100	August 2021 (in process)	24 May 2005
31.	Risk Management Policy	100	04 March 2020	27 August 2020
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	27 May 2019 28 May 2020	31 January 2013
34.	Education, Training and Development Policy	100	04 December 2014	24 May 2005

HR POLICIES AND PLANS

	Name of Policy	Completed %	Reviewed	Date adopted by Council or comment on failure to adopt
35	Expenditure Management Policy	100	27 May 2019 28 May 2020	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	27 May 2019 28 May 2020	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	25 June 2020	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	27 May 2019 28 May 2020	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	27 May 2019 28 May 2020	28 May 2015
53.	Legal Aid Policy for Councillors and Employees	100		24 May 2005
54.	Long-Term Financial Policy	100	27 May 2019 28 May 2020	28 May 2015
55.	Maintenance Management Policy	100	27 May 2019 28 May 2020	28 May 2015
56.	Mayoral Bursary Fund Policy (Rescinded)	100	Ceased to exist in 2018	25 October 2012
57.	Mobile Device Policy	100	27 May 2019 28 May 2020	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	August 2021 (in process)	24 May 2005
62.	Official Vehicles and Fleet Management Policy	100	27 May 2019 28 May 2020	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	27 May 2019 28 May 2020	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 Councillors	100		25 March 2004
68.	Policy for the Provision of Basic Services to Rural Dwellings	100	27 May 2019 28 May 2020	25 February 2016
69.	PPE Policy for Roads and Mechanical Workshop	100		26 March 2015
70.	Preferential Procurement Policy	100	27 May 2019 28 May 2020	28 May 2015

HR POLICIES AND PLANS

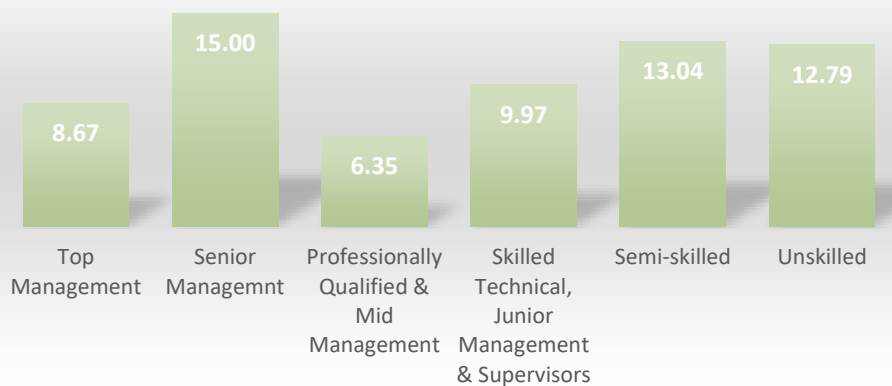
	Name of Policy	Completed %	Reviewed	Date adopted by Council or comment on failure to adopt
71.	Private Work Policy	100	Under review 27 May 2019 28 May 2020	24 May 2005
72.	Property Rates Policy	100		23 May 2006
73.	Protective Clothing for Environmental Health Practitioners	100		25 July 2006
74.	Protective Clothing Policy for Personnel: Roads	100		25 July 2006
75.	Public Participation Policy (Natalie)	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
85.	Succession Planning and Career Pathing Policy	100	August 2021 (in process)	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 Councillors	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.	Unauthorised Fruitless and Wasteful Expenditure	100		28 May 2015
98.	Unforeseen and Unavoidable Expenditure Policy			28 May 2015
99.	Unpaid Leave Policy		28 May 2020	24 May 2005
100.	User Account Management Procedures			24 April 2014
101.	User Security Policy			27 October 2011
102.	Whistleblowing Policy			24 May 2005
103.	Virement Policy		25 May 2017 27 May 2019 28 May 2020	14 May 2010

4.3 INJURIES

Number and cost of injuries on duty					
Type of injury	Injury leave taken	Employees using injury leave	Proportion of employees using sick leave	Average injury leave per employee	Total estimated cost
	Days	No.	%	Days	R'000
Required basic medical attention only	139	19	83,77%	7,3	R150 505,66
Fatal	0	0	0	0	0
Total	139	19	83,77%	7,3	R150 505,66

NUMBER OF DAYS AND COST OF SICK LEAVE (EXCLUDING INJURIES ON DUTY)					
JOB LEVELS	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	Average sick leave per employees
	Days	%	No.	No.	Days
Top Management (MM & Section 56)	26	19,2%	3	4	8,6
Senior Management (T18 – T19)	75	72%	5	5	15
Professionally qualified and experienced specialists and mid-management (T14 – T17)	146	36,9%	23	32	6,3
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (T9 – T13)	1156	38%	116	165	9,9
Semi-skilled and discretionary decision making (T4 – T8)	1787	47,5%	137	140	13
Unskilled and defined decision making (T1 – T3)	793	50%	62	67	12,7
Total	3983	45,1%	346	413	11,5

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 2015/16 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 CWDM requires a medical certificate from a registered medical practitioner if more than two (2) consecutive days are taken as sick leave by an employee. The employer is further not required to pay an employee if an employee is absent on more than two occasions during an eight-week period and, on request by the employer, does not produce a medical certificate stating that the employee was unable to work for the duration of the employee's absence on account of sickness or injury.

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

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

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

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
None				

DISCIPLINARY ACTION TAKEN IN CASES OF FINANCIAL MISCONDUCT			
Position	Nature of alleged misconduct and rand value of any loss to the municipality	Disciplinary action taken	Date finalised
Deputy Director: Project Management	Irregular expenditure - An investigation, subsequent to the initial investigation, concluded on 2 February 2021 that fair value had been received for portions completed partially in terms of the services and value that were delivered in the one case – R1 486 022,00	Disciplinary hearing	20 July 2020

4.4 PERFORMANCE REWARDS

PERFORMANCE REWARDS BY GENDER					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards 2019/20	Proportion of beneficiaries within group
				R'000	%
Top Management (MM & Section 56)	Female	1	1	151 245,81	100%
	Male	3	3	391 623,00	100%
Senior Management (T18 – T19)	Female	0	0	0	0
	Male	0	0	0	0
Professionally qualified and experienced specialists and mid-management (T14 – T17)	Female	0	0	0	0
	Male	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (T9 – T13))	Female	0	0	0	0
	Male	0	0	0	0
Semi-skilled and discretionary decision making (T4 – T8)	Female	0	0	0	0
	Male	0	0	0	0
Unskilled and defined decision making (T1 – T3)	Female	0	0	0	0
	Male	0	0	0	0
Total		0	0	R542 868,81	100
Has the statutory municipal calculator been used as part of the evaluation process?					Yes

***Payment expenditure in respect of performance rewards is based on 2019/20 Annual Performance Report**

COMMENT ON PERFORMANCE REWARDS

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

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

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

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

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

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

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

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

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

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.*

At a Council Meeting that was held on 24 June 2021 it was resolved at Item C.15.1 (unanimously 31 Councillors) –

That the recommendation of the Performance Evaluation Panel regarding the awarding of performance bonuses calculated on the all-inclusive remuneration packages for the period from 1 July 2019 to 30 June 2020 or part thereof as may be applicable, to the following employees, be approved:

POSITION	OFFICIAL NAME	WORKING PERIOD	PERFORMANCE SCORE	BONUS%
Municipal Manager	Mr HF Prins	1 July 2019 – 30 June 2020	151,33	10
Chief Financial Officer	Ms FA du Raan-Groenewald	1 July 2019 – 30 June 2020	152,33	10
Executive Director: Technical Services	Mr F van Eck	1 July 2019 – 30 June 2020	150,33	10
Executive Director: Community Development and Planning Services	Mr PA Williams	2 January 2020 – 30 June 2020	151.33	10

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	Number Of Skilled Employees Required and Actual as at 30 June 2021											
			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
No.	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End Of Year 0	Actual: End of Year 1	Target		
MM and S56	Female	1	0	0	0	0	0	0	0	0	0	0	0	0
	Male	3	0	0	0	0	0	0	0	0	0	0	0	0
Councillors, senior officials and managers	Female	12	0	0	0	7	8	2	0	0	0	0	8	2
	Male	34	0	0	0	14	20	5	0	0	0	14	20	5
Technicians and associate professionals	Female	2	0	0	0	2	3	0	0	0	0	2	3	0
	Male	4	0	0	0	4	5	3	0	0	0	4	5	3
Professionals	Female	31	0	0	0	25	14	11	0	0	0	25	14	11
	Male	37	0	0	0	35	14	14	0	0	0	35	14	14
Sub-total	Female	46	0	0	0	27	25	13	0	0	0	27	25	13
	Male	78	0	0	0	53	39	22	0	0	0	53	39	22
Total		124	0	0	0	80	64	35	0	0	0	80	64	35
*Registered with professional associate body e.g., CA (SA)														71

FINANCIAL COMPETENCY DEVELOPMENT: PROGRESS REPORT						
Description	A. Total Number of Officials Employed by Municipality (Regulation 14(4)(A) and (C))	B. Total Number of Officials Employed by Municipal Entities (Regulation 14(4)(A) and (C))	Consolidated: Total of A and B	Consolidated: Competency Assessments Completed for A and B (Regulation 14(4)(B) and (D))	Consolidated: Total Number of Officials Whose Performance Agreements Comply with Regulation 16 (Regulation 14(4)(F))	Consolidated: Total Number of Officials that Meet Prescribed Competency Levels (Regulation 14(4))
Accounting Officer	1	0	1	0	1	1
Chief Financial Officer	1	0	1	0	1	1
Senior Managers	2	0	2	0	2	2
Any other Financial Officials	28	0	28	0	0	26
Heads Of Supply Chain Management Units	1	0	1	0	0	1
Supply Chain Management Senior Managers	1	0	1	0	0	1
TOTAL	34	0	34	0	4	32
SKILLS DEVELOPMENT EXPENDITURE						
R550 716,00						

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

The capacitation of municipal officials in the CWDM are thoroughly defined in terms of the adopted Education, Training and Development Policy. The implementation of training interventions is 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 CWDM. The main purpose of organisational capacitation is to ensure that all objectives as listed within our IDP, are realised.

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

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

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

- Mentoring and coaching;
- Succession planning and;
- Talent management.

During the 2020/21 financial year, the CWDM embarked on various training interventions. In terms of our vision, a two-pronged approach was followed, with the focus shifting to a more strategic approach with the implementation of interventions, thus, laying the foundations to achieve our vision of "excellence for sustainable development". In addition, the COVID-19 pandemic forced the CWDM to convert all training programmes towards a 'blended learning approach', combining both virtual/online training and the traditional classroom-led training methodologies.

Training and Development 2020/21

Department: Financial and Strategic Services (FSS)

All training initiatives implemented within the CWDM are aligned with the Human Resource Management Strategy, as well as the organisational objectives. During the 2020/21 financial year, the CWDM continued to comply with the municipal regulations regarding the implementation of the Municipal Minimum Competency Levels through the attainment of the associated professional competencies. The CWDM has taken reasonable steps towards compliance and to this effect employees affected by the Minimum Competency Regulations either completed the relevant unit standards or are still awaiting outstanding results from the appointed institutes.

As mentioned, the COVID-19 pandemic as well as the effects of the 4th Industrial Revolution forced the CWDM to change how training will be conducted in the future. The majority of skills training programmes are conducted via the 'blended mode' of learning. The latter allowed officials to register online and attain web access to complete their assessments via the e-learning platform.

To ensure that officials gain their required formal qualifications within the directorate, respective officials are currently attending the:

- Occupational Certificates for Supply Chain Practitioners (NQF 5) qualification; and
- Occupational Certificate: Office Administration (NQF 5).

Learners for both these qualifications are in the process of completing their knowledge gaps in order to comply with the External Integrated Summative Assessment (EISA) examination's criteria. Due to COVID-19, the External Integrated Summative Assessments (EISA) for both the mentioned qualifications have been postponed until November 2021 (by the PSETA and TETA, respectively).

To ensure full compliance with the Occupational Health and Safety Act, the CWDM implemented an accredited Occupational Health and Safety programme. This initiative included the First Aid Level 1 and 3 courses as well as the Safety, Health & Environment Representative course. The purpose of these OHS training initiatives are to enable municipal officials to identify, evaluate and record safety, health and environmental hazards in their designated work areas and to evaluate the risks attached to operational tasks and processes, as required by the OHS Act. The latter is a standing item on our annual training implementation plan, as these certificates are only valid for a two-year period, to be renewed through refresher courses.

Occupational Health and Safety programme (First Aid Level 1 and 3 and Safety, Health and Environment Representative)



The implementation of the Employment Equity (EE) Training Programme is to give effect to the provisions of the Employment Equity Act, ensuring employment equity compliance and transformation within the CWDM. In addition to the training, the programme amplified the CWDM's efforts to provide the required resources and expertise to support the following EE stages:

- Capacitation of the Employment Equity Committee, represented by all stakeholders;
- Training on employment equity plans and processes that are aligned with legal and industry best practices;
- Equip and guide officials with the knowledge of employment equity-related content;
- Equip officials with the resources and tools to manage employment equity risks and improve transformational outcomes;
- Equip officials with the perspective of latest/relevant case law, best practices and legislation.

Department: Community Development and Planning Services

The Environmental Health Section ensured compliance with the Health Professions Council of South Africa (HPCSA), relating to the statutory registration and continuous capacitation of our Environmental Health Practitioners (EHPs) and emergency workers (Fire Services and Disaster Management staff). This online programme is imperative for enabling EHPs to stay informed in terms of any new relevant legislation, latest innovations, to be competitive and to maintain high-quality and continuous service delivery in the environmental health field.

In addition, and only pertaining to EHPs, the CWDM embarked on the facilitation and delivery of a Law Enforcement (Peace Officer) Programme for EHP interns. This intervention aimed to equip EHP interns as Law Enforcement Officers, responsible for the daily enforcement of environmental health transgressions, as well as equipping them with the necessary criminal procedural skills to ensure enforcement.

The CWDM Environmental Health Practitioner Intern Programme ensures and produces highly professional, qualified, and suitably experienced EHP interns as new work entrants into the South African workforce. For this reporting period, five EHP interns were appointed.

The officials from the Division: Disaster Management attended an Event Safety Management Workshop. The objective of this intervention was to develop the knowledge and skills of Disaster and Risk Management officials in the planning of emergency responses and recovery efforts, specifically focused on public events.

Department: Technical Services

Training programmes within the Division: Roads were severely hampered by the COVID-19 pandemic. Several courses were postponed, rescheduled, or cancelled due to the pandemic.

Amongst others, the following statutory and soft skills programmes were affected:

- The Industrial Relations for Supervisors programme, scheduled for frontline supervisors (focusng on maintaining sound industrial relations within the department and depots), was postponed to November 2021.
- The Earthmoving Equipment training programmes, focusing on statutory skills (Driven Machinery Regulation 18(1)) on how to operate various earthmoving equipment and other heavy machinery) to obtain the required Operators' Cards.

To enhance the qualifications, technical and management skills of line managers within the Roads Department, the CWDM in April 2021 commenced with the implementation of the National Certificate:

Supervision of Construction Processes (NQF 4) and the National Diploma: Management of Civil Engineering Processes (NQF 5).

These post-matric national qualifications were specifically identified to ensure the transfer of technical and managerial skills for departmental readiness, as qualified technicians and engineers within the Roads Department are nearing retirement age.

National Certificate: Supervision of Construction Processes (NQF 4)



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



NUMBER OF EMPLOYEES WHOSE SALARIES WERE INCREASED DUE TO THEIR POSITIONS BEING UPGRADED DURING THE 2020/21 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
Total		0

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 stipulates that:</p> <p><i>Employees will be placed on the salary notch for the applicable TASK grade that 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>
Credit Controller	1	T9		
Principal Clerk: Expenditure	2	T7		
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		
Committee Officer	1	T10		
Principal Clerk: Records	1	T7		
Clerk: Records	1	T5		
Driver Messenger	1	T4		
General Assistant: Logistical Support	1	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	1	T11		
Senior Fire Fighter	1	T10		
Disaster Management Officer: Preparedness	1	T11		
Administrator: Housing	1	T10		
Principal Clerk: Help Desk (ICT)	1	T7		
Administrator: IMMS Office	1	T10		
Senior Clerk: IMMS	1	T6		
Senior General Worker: Roads	2	T4		
Assistant Superintendent: Roads	3	T10		
General Worker: Roads	1	T3		

EMPLOYEES APPOINTED TO POSTS NOT APPROVED				
Department	Level	Date of appointment	Number 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 CWDM have been evaluated in terms of the TASK Job Evaluation System.

T4.6.3: The CWDM did not make any appointments to posts that do not exist on the staff establishment in the 2020/21 financial year.

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

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

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

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

5.1 INTRODUCTION TO FINANCIAL STATEMENTS

The CWDM maintained a sound financial position during the 2020/21 financial year, despite the fact that its own revenue sources remain limited. Currently, being a district municipality unauthorised for water and sanitation, the RSC Levies Replacement Grant (DORA) increases by 1% a year. Consequently, the CWDM's financial resources shrink constantly, but it still manages to render basic, dignified, fundamental services to the communities they have been entrusted with by the Constitution of the Republic of South Africa.

FINANCIAL SUMMARY						
Description	2019/2020	2020/21			2020/21 Variance	
	Actual	Approved Budget	Final Budget	Actual	Approved Budget	Final Budget
Financial Performance						
Investment Revenue	55.405.905	35.000.000	35.000.000	38.231.810	-9%	-9%
Transfers recognised – operational	239.491.371	250.261.088	250.261.088	245.866.696	2%	2%
Other own revenue	120.099.115	129.503.751	129.503.751	117.160.125	10%	10%
Total Revenue (excluding capital transfers and contributions)	414.996.391	414.764.839	414.764.839	401.258.631	3%	3%
Employee costs	202.286.175	230.890.879	230.900.525	222.724.411	4%	4%
Remuneration of Councillors	12.610.029	12.980.885	12.980.885	12.657.183	2%	2%
Depreciation and asset impairment	8.476.847	7.726.520	9.588.925	9.238.318	-20%	4%
Other expenditure	144.895.939	164.481.057	162.342.772	129.886.912	21%	20%
Total expenditure	368.268.990	416.079.341	415.813.107	374.506.824	10%	10%
Surplus/(Deficit)	46.727.401	(1.314.502)	(1.048.268)	26.751.807	2135%	2652%
Transfers recognised – capital	136.237	1.326.504	1.326.504	213.558		
(Loss)/Gain on disposal of assets and liabilities	581.218	12.002	278.236	258.069	-2050%	7%
Surplus/(Deficit) after capital transfers and contributions	46.282.420	0	0	26.707.296		
Share of surplus/(deficit) of associate	0					
Surplus/(Deficit) for the year	46.282.420	0	0	26.707.296		

5.2 GRANTS

CONDITIONAL GRANTS: EXCLUDING MIG					
Details	Original Budget	Final Budget	Actual	% Variance	
				Budget	Adjustment Budget
EPWP incentive	1,503,000	1,503,000	1,503,000	0	0
Local Government Financial Management Grant	1,000,000	1,000,000	1,000,000	0	0
Western Cape Financial Management Support Grant	0	0	0	0	0
Integrated Transport Plan	900,000	1,775,250	952,795	-6	46
Rural Roads Asset Management System	2,711,000	2,711,000	0	100	100
Community Development Workers	75,000	177,887	8,760	88	95
Western Cape Financial Capacity Building Grant	401,000	300,000	0	100	100
Municipal Service Delivery & Capacity Building	0	0	0	0	0
Local Government Internship Grant	0	160,000	128,455	0	20
Safety Plan Implementation – WOSA	2,100,000	2,429,000	2,134,550	-2	12
Local Government Support Grant	0	0	0	0	0
Municipal Disaster Relief Grant	0	0	0	0	0
Fire Services Capacity Building Grant	0	1,046,000	0	0	100
Total	8,690,000	11,102,137	5,727,560	34	48

5.2 ASSET MANAGEMENT

5.3 INTRODUCTION TO ASSET MANAGEMENT

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

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

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

COMMENT ON FINANCIAL RATIOS

Liquidity Ratio (Norm 1 to 1.5)

2019/2020 - 15.24:1

2020/21 - 16.39:1

Applying the ratio of current assets over current liabilities, the actual ratio equates to 16.39 (2020: 15.24) with a minimum acceptable norm at 1. This means that the current assets of the municipality are more than the current liabilities. The 2020/21 current ratio of 16.39 increased with 1.15 from the previous year. The municipality is in a very good position to meet its financial obligations on a timely basis.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.5 CAPITAL EXPENDITURE

CAPITAL EXPENDITURE 2020/21					
Division	Original Budget	Adjustment Budget	Actual	% Variance	
				Budget	Adjustments Budget
Admin Support Services	1,098,500	1,511,497	1,336,636	-22	12
Property Management	21,500	13,703	13,652	37	0
Transport Pool	2,103,860	3,486	3,486	100	0
Management Financial Services	237,200	91,500	36,473	85	60
Management Rural and Social Services	50,500	74,900	70,785	-40	5
Public Relations	200,000	11,500	5,705	97	50
Disaster Management	3,960,000	230,761	162,620	96	30
Fire Services	12,464,611	1,794,440	393,201	97	78
Municipal Health Services	16,200	6,600	6,600	59	0
Building Maintenance	3,259,000	2,709,478	1,819,230	44	33
Information Technology	4,746,500	1,844,640	1,460,604	69	21
Roads	1,733,100	280,504	213,558	88	24
Total	29,890,971	8,573,009	5,522,550	82	36

5.6 REVENUE COLLECTION BY SOURCE

Revenue Collection Performance by Source						
R' 000						
Details	2019/20	2020/21			2020/21 Variance	
	Actual	Approved Budget	Final Budget	Actual	Approved Budget	Final Budget
Property Rates	-	-	-	-	-	-
Property Rates - penalties and collection charges	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-
Service charges - other	0	0	0	0	0%	0%
Rental of facilities and equipment	229.975	240.000	240.000	238.615	1%	1%
Interest earned - external investments	55.405.905	35.000.000	35.000.000	38.231.810	-9%	-9%
Licences and permits	647.865	653.000	653.000	669.682	-	-
Agency services	107.750.201	117.505.000	117.505.000	106.246.825	10%	10%
Transfers recognised - operational	239.491.371	250.261.088	250.261.088	245.866.696	2%	2%
Other income	11.471.073	11.105.751	11.105.751	10.005.003	10%	10%
Total Revenue						
(excluding capital transfers and contributions)	414.996.391	414.764.839	414.764.839	401.258.631	3%	3%

TK.2

5.7 CAPITAL SPENDING ON THREE LARGEST PROJECTS

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2020/21	
Asset 1	
Name	Upgrade Ladies Toilet Riet Dak
Description	Upgrade Building
Asset type	Building - BUILD
Key staff involved	
Staff responsibilities	
Asset value	152.033
Capital implications	
Future purpose of asset	Used by officials
Describe key issues	
Policies in place to manage asset	Asset Management Policy
Asset 2	
Name	Glass screens Council Chambers Worcester
Description	COVID-19 glass screens
Asset type	General Plant - GENPL
Key staff involved	
Staff responsibilities	
Asset value	130.290
Capital implications	
Future purpose of asset	Will be used to protect officials against COVID-19 infection
Describe key issues	
Policies in place to manage asset	Asset Management Policy
Asset 3	
Name	Paving Montagu Office
Description	Paving
Asset type	Paving - PAVE
Key staff involved	
Staff responsibilities	
Asset value	91.895
Capital implications	
Future purpose of asset	Water saving initiative
Describe key issues	
Policies in place to manage asset	Asset Management Policy
T5.3.2	

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.8 INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

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

5.9 CASH FLOW

CASH FLOW OUTCOMES				
R'000				
Description	2019/20	2020/21		
	Audited Outcome	Approved Budget	Final Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Other Revenue	106.644.146	129.503.751	129.503.751	104.735.848
Government - operating	239.156.653	253.417.342	253.417.342	245.614.284
Government – capital	-	1.046.000.00	1.046.000.00	-
Interest	58.957.387	35.000.000	35.000.000	44.275.772
Payments				
Suppliers and employees	-317.994.534	-379.270.616	-379.270.616	-330.593.178
Transfer and grants	-18.837.911	-13.016.151	-13.016.151	-12.173.420
	-336.832.445	-392.286.767	-392.286.767	-342.766.598
NET CASH FROM/(USED) OPERATING ACTIVITIES	67.925.741	26.680.326	26.680.326	51.859.306
Cash flows from investing activities				
Proceeds on disposal of PPE	40.870.00	0	0	0
Capital assets	-7.264.137	-8.573.009	-8.573.009	-2.698.368.00
NET CASH FROM/(USED) INVESTMENT ACTIVITIES	-7.223.267	-8.573.009	-8.573.009	-2.698.368
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short-term Loans	-	-	-	-
Borrowing Long Term/Refinancing	-	-	-	-
Increase (Decrease) in Consumer Deposits	-	-	-	-
Payments				
Finance lease payments	0	-	-	0
NET CASH FROM/(USED) FINANCING ACTIVITIES	0	-	-	0
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	60.702.474	18.107.317	18.107.317	49.160.938
Cash/Cash Equivalents at the beginning of the Year	656.290.226	716.992.699	716.992.699	716.992.699
Cash/Cash Equivalents at the Year-end	716.992.700	735.100.016	735.100.016	766.153.637

Source: MBRR SA7 T5.9.1

5.10 BORROWING AND INVESTMENTS

The CWDM has no outstanding loans.

The Cape Winelands Municipality has an investment portfolio as at 30 June 2021 of R 746m and the funds are invested only in A1 banks as per the Cash Management and Investment policy.

COMPONENT D: OTHER FINANCIAL MATTERS

5.11 SUPPLY CHAIN MANAGEMENT

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

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

5.12 GRAP COMPLIANCE

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

CHAPTER 6 – AUDITOR-GENERAL'S FINDINGS

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

Report on the audit of the financial statements

Opinion

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

Basis for opinion

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

Emphasis of matters

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

Restatement of corresponding figures

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

Underspending of budget

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

Other matters

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

Unaudited supplementary schedules

10. The supplementary information set out on pages 104 to 110 does not form of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Unaudited disclosure notes

11. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting officer for the financial statements

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

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

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

Introduction and scope

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

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

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

Other matter

21. I draw attention to the matter below.

Achievement of planned targets

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

Report on the audit of compliance with legislation

Introduction and scope

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

Other information

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

Internal control deficiencies

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

Auditor - General

Cape Town

30 November 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected objectives and on the municipality’s compliance with respect to the selected subject matters.

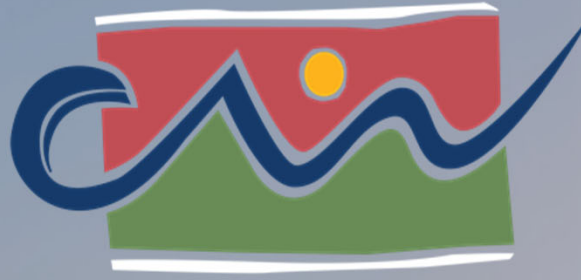
Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality’s internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
 - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Cape Winelands District Municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a municipality to cease operating as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

CHAPTER 7 – ANNUAL FINANCIAL STATEMENTS



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M

CAPE WINELANDS DISTRICT

MUNICIPALITY • MUNISIPALITEIT • UMASIPALA



Annual Financial Statements 2020/21



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M

General Information

Legal form of entity

Municipality (MFMA)

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

Nature of business and principal activities

The Municipality is a local authority that -

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

Mayoral committee

Ald. (Dr) H VON SCHLICHT (MAYOR)

Ald. C MEYER (SPEAKER)

Cllr. D SWART (DEPUTY MAYOR)

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. L LANDU

Other Councillors

Cllr. Z.L MASOKA

Cllr. C DAMENS

Cllr. D.D JOUBERT

Cllr. X KALIPA

Cllr. J.S MOUTON



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

General Information

Auditing to build public confidence

30 November 2021 L.M.

Cllr. E.S.C MATJAN (RESIGNED 13/10/2020)
Cllr. A CROMBIE
Cllr. J.J VAN ROOYEN
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. P HESS (RESIGNED 20/08/2020)
Ald. J.W SCHUURMAN
Cllr. M.T KLAAS
Cllr. R DU TOIT
Cllr. L.N QOBA
Cllr. W VROLICK
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
Cllr. N.D SAUERMAN
Cllr. M.N BUSHWANA
Cllr. J KRIEL (APPOINTED 18/09/2020)
Cllr. TM WEHR (APPOINTED 27/10/2020)

Grading of local authority

GRADE 4
MEDIUM CAPACITY

Municipal Manager

H.F PRINS

Chief Financial Officer (CFO)

F.A DU RAAN - GROENEWALD

Registered office

46 ALEXANDER STREET
STELLENBOSCH
7600

Postal address

P.O.BOX 100
STELLENBOSCH
7599

Telephone

0861 265 263

Bankers

NEDBANK

Auditors

AUDITOR GENERAL OF SOUTH AFRICA (AGSA)



Index

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

	Page
Accounting Officer's Responsibilities and Approval	5
Statement of Financial Position	6
Statement of Financial Performance	7
Statement of Changes in Net Assets	8
Cash Flow Statement	9
Statement of Comparison of Budget and Actual Amounts	10 - 12
Accounting Policies	13 - 38
Notes to the Financial Statements	39 - 101
Appendixes:	
Appendix A: Appropriation Statement	104
Appendix B: Benefits of business associates	110



Cape Winelands District Municipality
Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M.

Index

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

Cape Winelands District Municipality
Financial Statements for the year ended 30 June 2021

Auditing to build public confidence
30 November 2021 L.M.

The accounting officer is required by the MFMA, to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the financial statements and was given unrestricted access to all financial records and related data.

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

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

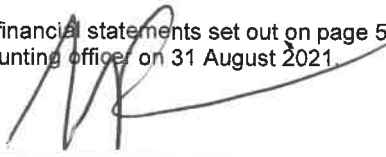
The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2022 and, in the light of this review and the current financial position, he is satisfied that the municipality has 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 - 103, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2021.



Accounting Officer
HF Prins



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M.

Statement of Financial Position as at 30 June 2021

Figures in Rand	Note(s)	2021	2020 Restated*
Assets			
Current Assets			
Cash and cash equivalents	3	766 153 639	716 992 699
Other receivables from exchange transactions	4	21 300 097	25 588 763
Trade receivables from exchange transactions	5	60 986	74 781
Inventories	6	2 761 197	2 888 968
VAT receivable	7	1 715 323	1 441 403
Receivables from non-exchange transactions	8	83 869	313 530
Employee benefit asset	13	910 196	2 002 682
		792 985 307	749 302 826
Non-Current Assets			
Property, plant and equipment	9	154 720 923	158 445 071
Intangible assets	10	579 258	737 930
Employee benefit asset	13	-	5 430 459
		155 300 181	164 613 460
Non-Current Assets		155 300 181	164 613 460
Current Assets		792 985 307	749 302 826
Total Assets		948 285 488	913 916 286
Liabilities			
Current Liabilities			
Unspent conditional grants and receipts	11	5 335 321	6 505 793
Payables from exchange transactions	12	7 421 618	7 953 098
Employee benefit obligation	13	35 622 748	34 655 570
Provisions	15	6 440	57 263
		48 386 127	49 171 724
Non-Current Liabilities			
Employee benefit obligation	13	144 709 001	136 261 501
		144 709 001	136 261 501
Non-Current Liabilities		144 709 001	136 261 501
Current Liabilities		48 386 127	49 171 724
Total Liabilities		193 095 128	185 433 225
Assets		948 285 488	913 916 286
Liabilities		(193 095 128)	(185 433 225)
Net Assets		755 190 360	728 483 061
Accumulated surplus	14	755 190 360	728 483 061

* See Note 31



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M.

Statement of Financial Performance

Figures in Rand	Note(s)	2021	2020 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	16	194 644	111 143
Rental of facilities and equipment	17	238 615	229 975
Roads services	18	105 032 933	106 276 009
Other income	19	1 216 118	1 507 951
Interest received - investment	20	38 231 810	55 405 905
Total revenue from exchange transactions		144 914 120	163 530 983
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	21	245 597 044	239 156 653
Public contributions and donations	22	17 240	-
Total revenue from non-exchange transactions		245 614 284	239 156 653
		144 914 120	163 530 983
		245 614 284	239 156 653
Total revenue		390 528 404	402 687 636
Expenditure			
Employee related costs	23	(223 701 150)	(203 282 247)
Remuneration of councillors	24	(12 657 183)	(12 610 029)
Depreciation and amortisation	25	(9 238 318)	(8 476 847)
Lease rentals on operating lease		(338 536)	(271 040)
Debt impairment	26	(32 597)	(50 593)
Bad debt written off		-	(162 507)
Contracted services	28	(31 787 145)	(36 787 479)
Transfers and Subsidies	27	(12 173 420)	(18 857 912)
Loss on disposal of assets		(167 052)	(581 218)
Inventories losses/write-downs		(91 017)	(35 439)
General Expenses	29	(73 634 690)	(75 289 905)
Total expenditure		(363 821 108)	(356 405 216)
Total revenue		390 528 404	402 687 636
Total expenditure		(363 821 108)	(356 405 216)
Surplus for the year		26 707 296	46 282 420

* See Note 31



Cape Winelands District Municipality
Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	682 534 097	682 534 097
Correction of errors	(333 458)	(333 458)
Balance at 01 July 2019 as restated*	682 200 641	682 200 641
Changes in net assets		
Surplus previous year (2019/2020) restated	46 282 420	46 282 420
Restated surplus 2019/2020	46 282 420	46 282 420
Restated* Balance at 01 July 2020	728 483 064	728 483 064
Changes in net assets		
Surplus for the year	26 707 296	26 707 296
Total changes	26 707 296	26 707 296
Balance at 30 June 2021	755 190 360	755 190 360
Note(s)	14	

* See Note 31



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M.

Cash Flow Statement

Figures in Rand	Note(s)	2021	2020 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		104 735 848	106 644 146
Grants		245 614 284	239 156 653
Interest income		44 275 772	58 957 387
		<u>394 625 904</u>	<u>404 758 186</u>
Payments			
Employee costs		(207 635 422)	(197 879 243)
Suppliers		(122 473 993)	(126 343 173)
Other payments: Remuneration to Councillors		(12 657 183)	(12 610 029)
		<u>(342 766 598)</u>	<u>(336 832 445)</u>
Total receipts		394 625 904	404 758 186
Total payments		(342 766 598)	(336 832 445)
Net cash flows from operating activities	32	<u>51 859 306</u>	<u>67 925 741</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(2 698 368)	(7 264 137)
Proceeds from sale of property, plant and equipment		-	40 870
Net cash flows from investing activities		<u>(2 698 368)</u>	<u>(7 223 267)</u>
Net increase in cash and cash equivalents		49 160 938	60 702 474
Cash and cash equivalents at the beginning of the year		716 992 699	656 290 226
Cash and cash equivalents at the end of the year	3	<u>766 153 637</u>	<u>716 992 700</u>

* See Note 31



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Statement of Comparison of Budget and Actual Amounts

Auditing to build public confidence

30 November 2021 L.M

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Rental of facilities and equipment	240 000	-	240 000	238 615	(1 385)	
Licences and permits	653 000	-	653 000	669 682	16 682	Note 43
Agency services	117 505 000	-	117 505 000	106 246 825	(11 258 175)	Note 43
Other revenue	11 105 751	-	11 105 751	10 005 003	(1 100 748)	Note 43
Interest received - investment	35 000 000	-	35 000 000	38 231 810	3 231 810	
Transfers and subsidies	250 261 088	-	250 261 088	245 866 696	(4 394 392)	Note 43
Total Revenue (excluding capital transfers and contributions)	414 764 839	-	414 764 839	401 258 631	(13 506 208)	
Expenditure						
Employee related costs	(230 890 879)	(9 646)	(230 900 525)	(222 724 411)	8 176 114	Note 43
Remuneration of councillors	(12 980 885)	-	(12 980 885)	(12 657 183)	323 702	
Debt impairment	(502 000)	(30 597)	(532 597)	(32 597)	500 000	Note 44
Depreciation and amortisation	(7 726 520)	(1 862 405)	(9 588 925)	(9 238 318)	350 607	
Other materials	(29 500 338)	(1 008 132)	(30 508 470)	(28 214 566)	2 293 904	
Contracted Services	(55 878 347)	3 370 645	(52 507 702)	(31 787 145)	20 720 557	Note 44
Transfers and Subsidies	(13 016 153)	(1 985 601)	(15 001 754)	(12 173 420)	2 828 334	Note 44
Other expenditure	(65 584 219)	1 791 970	(63 792 249)	(57 679 184)	6 113 065	Note 43
Loss on disposal of PPE	(12 002)	(266 234)	(278 236)	(258 069)	20 167	Note 43
Total expenditure	(416 091 343)	-	(416 091 343)	(374 764 893)	41 326 450	
Operating surplus	(1 326 504)	-	(1 326 504)	26 493 738	27 820 242	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1 326 504	-	1 326 504	213 558	(1 112 946)	Note 43/ 44
Surplus	-	-	-	26 707 296	26 707 296	



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Position						
Assets						
Current Assets						
Cash	27 100 016	-	27 100 016	20 153 639	(6 946 377)	Note 43/ 44
Call investments deposits	708 000 000	-	708 000 000	746 000 000	38 000 000	Note 43
Consumer debtors	3 933 161	-	3 933 161	910 196	(3 022 965)	Note 44
Other debtors	24 605 208	-	24 605 208	23 160 275	(1 444 933)	
Inventory	2 882 469	-	2 882 469	2 761 197	(121 272)	
	766 520 854	-	766 520 854	792 985 307	26 464 453	
Non-Current Assets						
Property, plant and equipment	158 357 276	-	158 357 276	154 720 923	(3 636 353)	
Intangible assets	781 311	-	781 311	579 258	(202 053)	Note 44
Other non- current assets	3 088 581	-	3 088 581	-	(3 088 581)	Note 44
	162 227 168	-	162 227 168	155 300 181	(6 926 987)	
Non-Current Assets	766 520 854	-	766 520 854	792 985 307	26 464 453	
Current Assets	162 227 168	-	162 227 168	155 300 181	(6 926 987)	
Total Assets	928 748 022	-	928 748 022	948 285 488	19 537 466	
Liabilities						
Current Liabilities						
Consumer deposits	20 000	-	20 000	-	(20 000)	Note 44
Trade and other payables	17 655 776	-	17 655 776	12 756 939	(4 898 837)	Note 43/ 44
Provisions	60 404 728	-	60 404 728	35 629 188	(24 775 540)	Note 44
	78 080 504	-	78 080 504	48 386 127	(29 694 377)	
Non-Current Liabilities						
Provisions	121 844 500	-	121 844 500	144 709 001	22 864 501	Note 44
Total Liabilities	199 925 004	-	199 925 004	193 095 128	(6 829 876)	
Net Assets	728 823 018	-	728 823 018	755 190 360	26 367 342	
Reserves						
Reserves	70 766 026	-	70 766 026	68 398 749	(2 367 277)	Note 43
Accumulated surplus	658 056 992	-	658 056 992	686 791 611	28 734 619	Note 43



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Statement of Comparison of Budget and Actual Amounts

Auditing to build public confidence

30 November 2021 L.M.

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Other Revenue	129 503 751	-	129 503 751	104 735 848	(24 767 903)	Note 44
Government - operating	253 417 342	-	253 417 342	245 614 284	(7 803 058)	
Government - capital	1 046 000	-	1 046 000	-	(1 046 000)	Note 44
Interest	35 000 000	-	35 000 000	44 275 772	9 275 772	Note 44
	418 967 093	-	418 967 093	394 625 904	(24 341 189)	
Payments						
Suppliers and employees	(379 270 616)	-	(379 270 616)	(330 593 178)	48 677 438	Note 43/ 44
Transfer and grants	(13 016 151)	-	(13 016 151)	(12 173 420)	842 731	Note 43
	(392 286 767)	-	(392 286 767)	(342 766 598)	49 520 169	
Net cash flows from operating activities	26 680 326	-	26 680 326	51 859 306	25 178 980	
Cash flows from investing activities						
Capital assets	(8 573 009)	-	(8 573 009)	(2 698 368)	5 874 641	Note 44
Net increase in cash and cash equivalents	18 107 317	-	18 107 317	49 160 938	31 053 621	
Cash and cash equivalents at the beginning of the year	716 992 699	-	716 992 699	716 992 699	-	
Cash and cash equivalents at the end of the year	735 100 016	-	735 100 016	766 153 637	31 053 621	



1. Presentation of Financial Statements

The annual financial statements have been prepared in accordance with the GRAP, issued by the ASB in accordance with Section 122(3) of the MFMA.

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

All figures have been rounded to the nearest Rand.

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

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

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

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Receivables

The municipality assesses its receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the municipality makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for receivables is calculated on an individual basis. For amounts due to the municipality, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment testing

The recoverable (service) amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

Value in use of cash generating assets:

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including economic factors such as inflation and interest.

Value in use of non-cash generating assets:

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and the nature of the impairment.

Useful lives of property, plant and equipment and other assets

The municipality's management determines the estimated useful lives and related depreciation charges for property, plant and equipment. This estimate is based on historical data collected by the municipality. The estimate is based on the pattern in which an asset's future economic benefits or service potential are expected to be consumed by the municipality.



Accounting Policies

1.1 Significant judgements and sources of estimation uncertainty (continued)

Post-retirement benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post-retirement obligations.

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the post-retirement obligations. The most appropriate discount rate that reflects the time value of money is with reference to market yields at the reporting date on government bonds. Where there is no deep market in government bonds with a sufficient long maturity to match the estimated maturity of all benefit payments, the municipality uses current market rates of the appropriate term to discount shorter term payments, and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 13.

Effective interest rate

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

Allowance for impairment

For receivables an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the receivables carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Allowance for slow moving, damaged and obsolete inventory

An allowance has been made for inventory to write inventory down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in note 6.

Provisions

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

Impairment of statutory receivables

If there is an indication that a statutory receivable, may be impaired, the municipality recognises an impairment loss. The impairment loss is measured as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, are reduced, either directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

Accounting by principals and agents

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

1.2 Reserves

Internal ring fenced reserves

Capital replacement reserve (CRR)

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

- The cash is invested until it is utilised. The cash may only be invested in accordance with the Cash Management and Investments Policy of the municipality.



Accounting Policies

1.2 Reserves (continued)

- 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.

Government grant reserve

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

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

Accumulated Surplus

The accumulated surplus represents the net difference between the total assets and the total liabilities of the municipality. Any surpluses and deficits realised during a specific financial year are credited/debited against accumulated surplus. Prior year adjustments, relating to income and expenditure, are debited/credit against accumulated surplus when retrospective adjustments are made.

1.3 Cash and cash equivalents

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

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

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

1.4 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the supply of services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired at no cost, or for a nominal cost, the cost is considered to be the fair value as at date of acquisition.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.



Accounting Policies

1.4 Property, plant and equipment (continued)

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.

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

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

Depreciation

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

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

Item	Depreciation method	Estimated useful life
Buildings	Straight line	30-60
Infrastructure	Straight line	15-50
Furniture and fixtures	Straight line	3-30
Motor vehicles	Straight line	5-33
Office equipment	Straight line	3-25
Plant and machinery	Straight line	3-50
Other property, plant and equipment	Straight line	3-46
Leased assets	Straight line	5-10

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

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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

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

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

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



Accounting Policies

1.4 Property, plant and equipment (continued)

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

Expected useful life

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

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

1.5 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Intangible assets are initially recognised at cost.

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



Accounting Policies

1.5 Intangible assets (continued)

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.

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 GRAP on Property, Plant and Equipment (GRAP 17). Refer to note 1.4

The municipality has the following registered Heritage Assets:

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

Impairment

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

External sources:

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

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

Internal sources:

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

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



Accounting Policies

1.7 Changes in accounting policies, estimates errors

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

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

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

1.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

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

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

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

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.

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

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

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

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

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



Accounting Policies

1.8 Financial instruments (continued)

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

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

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

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

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

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

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

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

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

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

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

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

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

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

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

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



Accounting Policies

1.8 Financial instruments (continued)

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

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

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

Reclassification

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

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

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

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

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

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the entity establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, a municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

Short-term receivables and payables are not discounted where the initial credit period granted or received is consistent with terms used in the public sector, either through established practices or legislation.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.



Accounting Policies

1.8 Financial instruments (continued)

Impairment and uncollectibility of financial assets

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

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

Financial assets measured at amortised cost

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

Where financial assets are impaired through the use of an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. When such financial assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are recognised at revenue.

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

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

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from non-exchange transactions.



Accounting Policies

1.9 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

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

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount (for purposes of this Standard) for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Other charges

Where the municipality is required or entitled in terms of legislation, supporting regulations, by-laws or similar means to levy additional charges on overdue or unpaid amounts, and such charges are levied, the entity applies the principles as stated in "Accrued interest" above, as well as the relevant policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers).

Impairment losses

The municipality assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the municipality considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.



Accounting Policies

1.9 Statutory receivables (continued)

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses are recognised in surplus or deficit.

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

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

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

The municipality derecognises a statutory receivable, or a part thereof, when:

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

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.10 Leases

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

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases - lessee

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

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

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

Operating leases - lessor

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



Accounting Policies

1.10 Leases (continued)

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

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in the Statement of Financial Performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Any contingent rent is expensed in the period in which they are incurred.

1.11 Inventories

Inventories consist of unsold properties and consumables.

Initial measurement

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

Subsequent measurement

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

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

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

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

Derecognition

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



Accounting Policies

1.11 Inventories (continued)

When other inventories are utilised or consumed, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.12 Grants in Aid

The municipality annually awards grants to organisations in terms of Section 67 of the MFMA. When making these transfers, the municipality does not:

- Receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- Expect to be repaid in future; or
- Expect a financial return, as would be expected from an investment.

1.13 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

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

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.14 Budget information

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

The approved budget covers the period from 2020/07/01 to 2021/06/30.

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

1.15 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

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

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

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



Accounting Policies

1.15 Related parties (continued)

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

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

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

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

1.16 Value added Tax

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

1.17 Impairment of cash-generating assets

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

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

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

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

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

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

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

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

Useful life is either:

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

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

Identification

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



Accounting Policies

1.17 Impairment of cash-generating assets (continued)

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Value in use

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

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current prime lending rate and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

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

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. The municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.



Accounting Policies

1.17 Impairment of cash-generating assets (continued)

Reversal of impairment loss

The municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

1.18 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

Identification

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

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Value in use

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

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.



Accounting Policies

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

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

Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

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

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset’s revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset’s recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset’s revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.19 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

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



Accounting Policies

1.19 Provisions and contingencies (continued)

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

If the municipality has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 38.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

A contingent liability:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality; or
- a present obligation that arises from past events but is not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation;
 - the amount of the obligation cannot be measured with sufficient reliability.

1.20 Commitments

Items are classified as commitments when the municipality has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.21 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Agency fees are recognised to the extent of work performed.

Interest

Revenue arising from the use by others of municipal assets yielding interest is recognised when:



Accounting Policies

1.21 Revenue from exchange transactions (continued)

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest method.

1.22 Revenue from non-exchange transactions

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

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

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

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

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

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

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

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

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because 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.



Accounting Policies

1.22 Revenue from non-exchange transactions (continued)

Gifts and donations, including goods in-kind

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

Services in-kind

Services in-kind are not recognised.

1.23 Borrowing costs

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

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

1.24 Comparative figures

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

1.25 Unauthorised expenditure

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

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

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

1.26 Fruitless and wasteful expenditure

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

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

1.27 Irregular expenditure

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

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

1.28 Employee benefits

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



Accounting Policies

1.28 Employee benefits (continued)

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

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting municipality to reimburse it for employee benefits already paid.

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

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

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

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

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

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

Short-term employee benefits

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

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measure the expected cost of accumulating compensated absences as the additional amount that the municipality expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The municipality recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.



Accounting Policies

1.28 Employee benefits (continued)

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.

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.



Accounting Policies

1.28 Employee benefits (continued)

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.

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.



Accounting Policies

1.28 Employee benefits (continued)

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).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The entity offsets an asset relating to one plan against a liability relating to another plan when the entity has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

Other long-term employee benefits

The amount recognised as a liability for other long-term service awards is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The entity shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.

1.29 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.



Accounting Policies

1.29 Segment information (continued)

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure.



Notes to the Financial Statements

Figures in Rand

2021

2020

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

GRAP 1 (amended): Presentation of Financial Statements

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

Summary of amendments are:

Materiality and aggregation

The amendments clarify that:

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

Statement of financial position and statement of financial performance

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

Notes structure

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

Disclosure of accounting policies

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

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

The effective date of this amendment is for years beginning on or after 01 April 2020.

The municipality adopted the interpretation for the first time in the 2020/2021 financial statements.

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.



Notes to the Financial Statements

2. New standards and interpretations (continued)

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

The municipality has adopted the interpretation for the first time in the 2020/2021 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;
- sets out the accounting requirements for the preparation of consolidated financial statements; and
- defines an investment entity and set 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 has adopted the standard for the first time in the 2020/2021 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 has adopted the standard for the first time in the 2020/2021 financial statements.

GRAP 18 (as amended 2016): Segment Reporting

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:



Notes to the Financial Statements

2. New standards and interpretations (continued)

- 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 has adopted the standard for the first time in the 2020/2021 financial statements.

The adoption of this standard does not have any impact on the results of the municipality, it only requires additional disclosure for the financial results already reported in the Statement of Financial Performance.



Notes to the Financial Statements

2. New standards and interpretations (continued)

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 2021 or later periods:

GRAP 104 (amended): Financial Instruments

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

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

The most significant changes to the Standard affect:

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

The effective date of the standard is not yet set by the Minister of Finance.



Cape Winelands District Municipality
Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M

Notes to the Financial Statements

Figures in Rand

2021

2020

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	-	2 252
Bank balances	20 153 639	23 990 447
Short-term investments	746 000 000	693 000 000
	766 153 639	716 992 699

Included in the balance of cash and cash equivalents is an amount of R 30 697 803 (2020: R 27 156 658) relating to the portion recovered from the WCPG, Department of Transport and Public Works, in respect of the future medical aid liability of the roads staff.

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

No cash and cash equivalents have been pledged as security.

Short-term investments

ABSA - Investment

Opening balance	137 000 000	138 000 000
Movements for the year	11 000 000	(1 000 000)
	148 000 000	137 000 000

FNB - Investment

Opening balance	105 000 000	109 000 000
Movements for the year	32 000 000	(4 000 000)
	137 000 000	105 000 000

INVESTEC - Investment

Opening balance	109 000 000	108 000 000
Movements for the year	32 000 000	1 000 000
	141 000 000	109 000 000

NEDCOR - Investment

Opening balance	171 000 000	155 000 000
Movements for the year	(6 000 000)	16 000 000
	165 000 000	171 000 000

STANDARD BANK - Investment

Opening balance	171 000 000	141 000 000
Movements for the year	(16 000 000)	30 000 000
	155 000 000	171 000 000

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2021	30 June 2020	30 June 2019	30 June 2021	30 June 2020	30 June 2019
Nedbank - Primary bank account	7 653 639	8 990 447	2 787 126	7 653 639	8 990 447	2 787 126
Nedbank - Call account	12 500 000	15 000 000	2 500 000	-	-	-
Total	20 153 639	23 990 447	5 287 126	7 653 639	8 990 447	2 787 126



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M.

Notes to the Financial Statements

Figures in Rand

2021

2020

4. Other receivables from exchange transactions

Allowance for impairment	(127 467)	(160 018)
Prepayments	2 280 450	2 334 241
Deposits	116 738	421 603
Insurance claims	39 420	255 159
Municipal health debtor	133 393	156 672
Rental	25 141	24 975
Councillors	22 378	65 425
Accrued interest	11 790 614	17 834 576
Roads services (Department of Transport and Public Works)	6 685 582	3 755 600
Other receivables	120 375	601 999
Post retirement medical aid	213 473	298 531
	21 300 097	25 588 763

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

Gross balance

Other receivables from exchange transactions	21 427 564	25 748 781
--	------------	------------

Less: Allowance for impairment

Other receivables	108 563	108 454
Post retirement medical aid	18 904	51 564
	127 467	160 018

Net balance

Other receivables	21 300 097	25 588 763
-------------------	------------	------------

Other receivables from exchange transactions

Current (0 - 30 days)	7 077 003	4 883 456
31 - 60 days	323	31 668
61 - 90 days	-	29 125
91 - 120 days	-	29 698
121 - 365 days	21 487	79 220
> 365 days	107 843	301 354
	7 206 656	5 354 521

None of the financial assets that are fully performing have been renegotiated in the last year.

Prepayments of R 2 280 450 (2020:R 2 334 241) were not included as the future economic benefits relate to the receipt of goods and services. Councillor debt of R 22 378 (2020: R 65 425) were not included as this relate(s) to recoveries still to be concluded at reporting date. The interest accrual of R 11 790 614 (2020: R 17 834 576) was not included in the ageing as it is not due yet.



Notes to the Financial Statements

Figures in Rand

2021

2020

4. Other receivables from exchange transactions (continued)

Other receivables past due but not impaired

Management regard other receivables from exchange transactions for outstanding amounts of more than 30 days as past due. The impairment of other receivables from exchange transactions is based on the historic payment rate of the receivable.

As at 30 June 2021 other receivables of R 152 031 (2020: R 536 490) 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	(160 018)	(32 302)
Provision for impairment	(25 221)	(191 329)
Amounts written off as uncollectible	-	63 153
Unused amounts reversed	57 772	460
	(127 467)	(160 018)

5. Trade Receivables from exchange transactions

Gross balances

Fire Fighting	146 912	95 559
---------------	---------	--------

Less: Allowance for impairment

Fire Fighting	(85 926)	(20 778)
---------------	----------	----------

Net balance

Fire Fighting	60 986	74 781
---------------	--------	--------

Fire Fighting

Current (0 -30 days)	-	-
31 - 60 days	23 282	74 781
61 - 90 days	37 705	-
91 - 120 days	18 246	-
121 - 365 days	4 524	20 778
> 365 days	63 155	-
	146 912	95 559

Reconciliation of allowance for impairment

Balance at beginning of the year	(20 778)	(97 901)
Contributions to allowance	(65 148)	(40 451)
Debt impairment written off against allowance	-	99 354
Reversal of allowance	-	18 220
	(85 926)	(20 778)

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.



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M

Notes to the Financial Statements

Figures in Rand

2021

2020

5. Trade Receivables from exchange transactions (continued)

Credit quality of trade receivables

Due to historic trends that cannot be determined, the credit quality of each individual debtor that are neither due nor past nor impaired was assessed. As per the Credit Control and Debt Collection Policy, all debtors with accounts outstanding for more than 60 days are handed over to the debt collectors of the municipality. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management's view that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

Trade receivables past due but not impaired

The debt originated as a result of firefighting services rendered in terms of the Fire Fighting Act. The impairment for receivables from exchange transactions were calculated based on the assessment of each individual debtor, as a historic payment trend cannot be determined for firefighting debtors.

As at 30 June 2021 trade receivables of R 146 912 (2020: R 95 559) were past due but not impaired.

Trade receivables impaired and provided for

As at 30 June 2021 consumer debtors of Rnil (2020: R99 354) were impaired.

As at 30 June 2021, consumer debtors of R 85 926 (2020: R 20 778) were provided for.

The ageing of these receivables are as follows:

Current (0 -30 days)	-	-
31 - 60 days	-	-
61 to 90 days	-	-
91 to 120 days	18 246	-
121 days and more	67 680	20 778

6. Inventories

Consumable stores	2 688 257	2 816 028
Housing Stock	72 940	72 940
	<u>2 761 197</u>	<u>2 888 968</u>

No inventory has been pledged as security.

Consumables valued at R 91 017 (2020: R 35 439) were written off and recognised in the Statement of Financial Performance.

Inventory valued at R 4 791 216 (2020: R 5 938 196) were expensed in the Statement of Financial Performance.

7. VAT receivable

VAT	<u>1 715 323</u>	<u>1 441 403</u>
-----	------------------	------------------

Statutory receivables

Gross balances		
VAT receivable	<u>1 715 323</u>	<u>1 441 403</u>

Less: Allowance for impairment

VAT receivable	<u>-</u>	<u>-</u>
----------------	----------	----------

Net balance

VAT receivable	<u>1 715 323</u>	<u>1 441 403</u>
----------------	------------------	------------------



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M

Notes to the Financial Statements

Figures in Rand

2021

2020

7. VAT receivable (continued)

Transactions arising from statute

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

The VAT receivable recognised at year end is mainly due to the impact of the difference between the input and output VAT recognised during the financial year as well as the accruals raised at year end.

No interest or other charges are levied against the statutory receivable.

Management regard statutory receivables as being impaired on the same basis that other receivables from exchange transactions are assessed for impairment (historic payment rate of the receivable).

Historically, all refunds have been received within 30 days of the submission of the VAT 201 returns to SARS.

Reconciliation of the provision for impairment

The statutory receivable is not considered to be impaired by the municipality as SARS has not defaulted on payments in the passed..

Receivables past due not impaired

Statutory receivables which are less than 30 days past due are not considered for impairment. At 30 June 2021, Rnil (2020:Rnil) were past due but not impaired.

Statutory receivables pledged as security

No statutory receivables were pledged as security.

No collateral is held for any of the statutory receivables.

8. Receivables from non-exchange transactions

Government grants and subsidies

83 869

313 530

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 2021, receivables from non-exchange transactions of Rnil (2020: Rnil) were impaired and provided for.



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M

Notes to the Financial Statements

Figures in Rand	2021	2020
8. Receivables from non-exchange transactions (continued)		
Net balances		
Government grants and subsidies	83 869	313 530
Government grant and subsidies		
Current (0 -30 days)	83 869	156 765
31 - 60 days	-	156 765
	83 869	313 530
Reconciliation of allowance for impairment of receivables from non-exchange transactions		
Opening balance	-	-

9. Property, plant and equipment

	2021			2020		
	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	48 802 292	(25 945 803)	22 856 489	48 025 734	(24 861 030)	23 164 704
Plant and machinery	22 251 131	(11 906 662)	10 344 469	21 623 134	(10 513 211)	11 109 923
Furniture and fixtures	8 684 843	(5 451 555)	3 233 288	8 147 315	(5 096 687)	3 050 628
Motor vehicles	52 054 371	(23 905 410)	28 148 961	52 211 799	(21 043 750)	31 168 049
Office equipment	30 116 431	(13 736 050)	16 380 381	27 160 547	(11 153 604)	16 006 943
Infrastructure	3 771 745	(982 759)	2 788 986	3 578 354	(865 488)	2 712 866
Other property, plant and equipment	8 752 789	(4 169 344)	4 583 445	8 498 197	(3 651 143)	4 847 054
Total	240 818 506	(86 097 583)	154 720 923	235 629 984	(77 184 913)	158 445 071

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.

A property consisting of a parking area were identified that are rented to the public. A significant portion of the property (land and buildings) are held by the municipality for administrative purposes.

The consideration of a new lease is based on the need of the municipality prior to expiry of the lease agreements. The property meet the criteria set out above as Property, plant and equipment. The asset have been classified as Property, plant and equipment.



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M.

Notes to the Financial Statements

Figures in Rand

2021

2020

9. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Depreciation	Total
Land	66 384 904	-	-	-	66 384 904
Buildings	23 164 704	776 559	-	(1 084 774)	22 856 489
Plant and machinery	11 109 923	671 937	(21 411)	(1 415 980)	10 344 469
Furniture and fixtures	3 050 628	548 892	(1 664)	(364 568)	3 233 288
Motor vehicles	31 168 049	-	(49 509)	(2 969 579)	28 148 961
Office equipment	16 006 943	3 071 562	(58 492)	(2 639 632)	16 380 381
Infrastructure	2 712 866	193 391	-	(117 271)	2 788 986
Other property, plant and equipment	4 847 054	260 209	(5 683)	(518 135)	4 583 445
	158 445 071	5 522 550	(136 759)	(9 109 939)	154 720 923

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Depreciation	Total
Land	66 384 904	-	-	-	66 384 904
Buildings	24 017 307	204 250	-	(1 056 853)	23 164 704
Plant and machinery	11 416 200	1 095 941	(94 050)	(1 308 168)	11 109 923
Furniture and fixtures	3 287 919	142 105	(26 961)	(352 435)	3 050 628
Motor vehicles	28 918 007	5 151 394	(117 703)	(2 783 649)	31 168 049
Office equipment	17 752 173	818 645	(346 156)	(2 217 719)	16 006 943
Infrastructure	2 830 100	-	-	(117 234)	2 712 866
Other property, plant and equipment	5 235 895	160 435	(37 217)	(512 059)	4 847 054
	159 842 505	7 572 770	(622 087)	(8 348 117)	158 445 071

Reconciliation of repairs and maintenance - 2021

	Contracted services	Employee related cost	Materials and supplies	Total
Buildings	968 361	2 054 835	60 524	3 083 720
Office equipment	671 627	-	35 916	707 543
Plant and equipment	105 924	-	3 074	108 998
Motor vehicles	1 445 352	-	673 031	2 118 383
Infrastructure	1 620	-	-	1 620
Other	91 018	-	-	91 018
	3 283 902	2 054 835	772 545	6 111 282



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M

Notes to the Financial Statements

Figures in Rand

2021

2020

9. Property, plant and equipment (continued)

Reconciliation of repairs and maintenance - 2020

	Contracted services	Employee related cost	Materials and supplies	Total
Buildings	1 410 637	1 913 047	103 044	3 426 728
Office equipment	706 144	-	14 656	720 800
Plant and equipment	48 609	-	2 370	50 979
Furniture and fittings	19 927	-	3 975	23 902
Motor vehicles	756 584	-	514 038	1 270 622
Other	104 634	-	58 319	162 953
	3 046 535	1 913 047	696 402	5 655 984

A register containing the information required by section 63 of the MFMA is available for inspection at the registered office of the municipality.

No assets have been pledged as security.

Other property, plant and equipment were split into the various classes as disclosed in the note for both the current and prior year.

An impairment assessment was performed based on the indicators as listed in the accounting policy under paragraph 1.4 Property, plant and equipment. No potential impairment losses have been recognised on Property, Plant and Equipment of the municipality at the reporting date.

A review of useful lives of property, plant and equipment was done. Management considers whether there is any indication that expectations about the useful life of an asset have changed since the preceding reporting date. There were changes in the estimated useful lives of assets located in the redundant store during the financial year. Refer to Note 40 for details relating to the change in accounting estimates.

10. Intangible assets

	2021			2020		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	1 784 535	(1 205 277)	579 258	1 868 696	(1 130 766)	737 930

Reconciliation of intangible assets - 2021

	Opening balance	Disposals	Amortisation	Total
Computer software	737 930	(30 293)	(128 379)	579 258

Reconciliation of intangible assets - 2020

	Opening balance	Amortisation	Total
Computer software	866 660	(128 730)	737 930



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M

Notes to the Financial Statements

Figures in Rand

2021

2020

11. Unspent conditional grants and receipts

Unspent conditional grants and receipts

Community development workers (CDW) operational support grant	169 127	102 887
Integrated transport planning	822 456	875 250
Fire service capacity building grant	1 046 000	1 046 000
Water and sanitation	-	35 560
Western Cape financial management capacity building grant	-	380 000
Rural roads asset management system grant	2 711 000	2 849 000
Local government internship grant	31 545	160 000
Safety initiative implementation - Whole of society approach (WOSA)	294 601	329 151
Public contributions and donations	260 592	727 945
	5 335 321	6 505 793

See note 21 & 22 for reconciliation of grants from National/Provincial Government.

These amounts are invested in a ring-fenced investment until utilised. (refer to note 3).

12. Payables from exchange transactions

Other payables	171 457	3 421 949
Creditor accruals	5 380 169	3 223 496
Working for water (Department of Environmental Affairs)	812 430	812 430
Payments received in advance	46 022	60 975
Trade payables	1 010 991	430 729
Unclaimed funds	549	3 519
	7 421 618	7 953 098

13. Employee benefits

Current employee benefits

Employee benefit accruals	1 764 901	1 347 592
Current: Medical aid liability	8 397 000	8 542 000
Provision staff leave	17 829 700	17 218 201
13th Cheque	5 145 928	4 967 908
Current: Ex- gratia benefit	8 000	12 000
Current: Long term service award	1 847 000	2 025 000
Performance bonus	630 219	542 869
	35 622 748	34 655 570

Other long term employee benefits

Long service award	12 465 999	11 851 999
--------------------	------------	------------

Post-employee benefits

Post-Retirement Medical aid benefits	131 275 001	122 992 501
Ex-gratia benefit	968 001	1 417 001
	132 243 002	124 409 502

Current liability	35 622 748	34 655 570
Non-current liability	144 709 001	136 261 501
	180 331 749	170 917 071

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 in future years. Due to the National Lockdown the Unions could not consult with their members to provide inputs to the draft policy.



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M

Notes to the Financial Statements

Figures in Rand

2021

2020

13. Employee benefits (continued)

Post-retirement and medical aid benefits

The municipality offers employees and continuation members the opportunity of belonging to one of several medical schemes, most of which offer a range of options pertaining to levels of cover.

Upon retirement, an employee may continue membership of the medical scheme. Upon a member's death in service or death-in-retirement, the surviving dependents may continue membership of the medical scheme.

In- service members will receive a post- employment subsidy of 60% or 70% of the contribution payable should they be a member of a medical aid at retirement.

All continuation members and their eligible dependents receive a 60% or 70% subsidy.

Upon a member's death-in-service or death-in-retirement the surviving dependents will continue to receive the same subsidy.

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

- Bonitas
- Key Health
- Samwumed
- Hosmed
- LA Health

Details relating to eligible employees of the post-retirement medical aid benefit obligation are listed below:

Active members

Principal members	291	308
Average age	48,3	48,3
Average past service cost	R18,3 million	R18,5 million

Continuation members

Principal members	148	151
Average age	72,0	71,8

The amounts recognised in the Statement of Financial Position are -

Projected benefit obligation	139 672 000	131 534 500
	139 672 000	131 534 500

The obligation in respect of past services has been estimated as follows:

Active members	47 067 000	43 315 500
Continuation members	92 605 000	88 219 000
Net obligation	139 672 000	131 534 500

The amounts recognised in the Statement of Financial Performance are-

Current service cost	2 618 000	2 447 928
Interest cost	20 739 000	12 578 906
Recognised actuarial (gains)/losses	(7 443 229)	(16 372 687)
Amount charged to Statement of Financial Performance	15 913 771	(1 345 853)

The future service cost for the ensuing financial period is estimated to be R2 946 000, whereas the interest cost for the next year is estimated to be R19 200 000.



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M

Notes to the Financial Statements

Figures in Rand

2021

2020

13. Employee benefits (continued)

The best estimates for the employer benefit payments in the 2021/22 financial period is expected to be R 8 397 000.

Movements in the present value of the defined benefit obligation were as follows:

Opening benefit obligation liability	131 534 500	140 284 597
Payments to members	(7 776 271)	(7 404 244)
Charge to Statement of Financial Performance	15 913 771	(1 345 853)
Closing benefit liability	139 672 000	131 534 500

GRAP 25 stipulates that the choice of the discount rate should be derived from government bond yields consistent with the estimated term of the post-employment liabilities. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments, current market rates of the appropriate term should be used to discount shorter term payments, and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

The nominal and real zero curves as at 30 June 2021 supplied by the JSE is used to determine the discount rates and CPI assumptions at each relevant time period. In the event that the valuation is performed prior to the effective valuation date, the prevailing yield at the time of performing the calculations is utilised. This methodology was changed from a point estimate in order to present a more accurate depiction of the liability. Previously only one discount rate was used to value all the liabilities

Key actuarial assumptions

Discount rate	Yield Curve	Yield Curve
Health care inflation	CPI + 1.5%	CPI + 1.5%

Sensitivity Analysis on current-service and interest cost:

Assumption	Change	Current service cost	Interest cost	Total	% change
Central Assumptions		2 946 000	19 200 000	22 146 000	
Health care inflation	1 %	3 579 000	21 692 000	25 271 000	14 %
	-1 %	2 444 000	17 111 000	19 555 000	-12 %
Post- retirement mortality	20%	2 722 000	17 810 000	20 532 000	-7 %
	-20%	3 217 000	20 922 000	24 139 000	9 %

Sensitivity analysis on the benefit liability:

Assumption	Change	Liability	% change
Central assumptions		139 672 000	
Health care inflation	1 %	156 243 000	12 %
	-1 %	125 673 250	-10 %
Post- retirement mortality	20%	129 854 000	-7 %
	-20%	151 859 500	9 %

History of Liabilities and Experience Adjustments	30 June 2017	30 June 2018	30 June 2019	30 June 2020	30 June 2021
Accrued liability	150 651 000	153 142 000	140 285 000	131 534 500	139 672 000
Experience adjustment	14 017 000	221 000	(2 278 000)	-	-

In terms of the memorandum of Agreement between the WCPG, Department of Transport and Public Works, and the past experience hereon, funds will be made available to maintain the approved organogram of the roads division in the municipality. The future claim for roads staff for post employment medical aid has therefore been raised as an employee benefit asset.



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M

Notes to the Financial Statements

Figures in Rand

2021

2020

13. Employee benefits (continued)

Employee benefit asset

Opening balance	7 433 141	16 640 495
Current service cost	803 416	626 996
Payment received from WCPG	(2 028 365)	(2 222 331)
Interest cost	5 477 295	3 527 560
Benefits paid	(2 316 195)	(1 932 225)
Interest on payments from WCPG	(1 512 780)	(1 986 312)
Actuarial loss / (gain)	(6 946 316)	(7 221 043)
	910 196	7 433 140
Reconciliation of employee benefit asset		
Current asset	910 196	2 002 682
Non-current asset	-	5 430 459
	910 196	7 433 141

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	5	7
In-service employees eligible for lump sum benefit on retirement	5	7

Average age in years

In-service employee for ex-gratia pension	38,87	57,93
In-service employees eligible for lump sum benefit on retirement	58,91	57,65

The amount recognised in the Statement of Financial Position are:

Projected benefit obligation	976 000	1 429 000
------------------------------	---------	-----------

The amount recognised in the Statement of Financial Performance are:

Interest cost	74 000	141 098
Recognised actuarial (Gain) / Loss	245 170	(203 106)
	319 170	(62 008)



Notes to the Financial Statements

Figures in Rand

2021

2020

13. Employee benefits (continued)

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 R74 000.

The best estimates for the employer benefit payments in the 2021/22 financial year is expected to be R 8 000.

GRAP 25 stipulates that the choice of the discount rate should be derived from government bond yields consistent with the estimated term of the post-employment liabilities. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments, current market rates of the appropriate term should be used to discount shorter term payments, and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

The rate is calculated by using the implied duration of the liability to obtain an appropriate interest rate on the yield curve. The nominal and real zero curves as at 30 June 2021 were supplied by the JSE to determine the discounted rates and CPI assumptions.

Movements in the present value of the defined benefit obligation were as follows:

Opening benefit obligation	1 429 001	1 559 726
Payments to members	(772 170)	(68 717)
Actuarial (Gain) / Loss	245 170	(203 106)
Interest and service cost	74 000	141 098
Closing benefit obligation	976 001	1 429 001

Key actuarial assumptions

Discount rate	7,59 %	8,51 %
CPI inflation rate	4,87 %	4,08 %
Salary inflation rate	5,87 %	5,08 %

Sensitivity analysis on the benefit obligation:

Assumption	Change	Total Liability	% change
Central Assumptions		974 000	
Benefit Inflation rates	1 %	1 022 000	5 %
	-1 %	928 000	-5 %

Sensitivity analysis on the interest cost:

Assumption	Change	Interest cost	% change
Central Assumptions		74 000	
Benefit Inflation rates	1 %	77 000	4 %
	-1 %	70 000	-5 %

History of Liabilities, Assets and Experience Adjustments	30 June 2017	30 June 2018	30 June 2019	30 June 2020	30 June 2021
Accrued liability	2 275 313	1 841 349	1 559 725	1 429 000	976 000
Experience adjustment	589 506	(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	407	416
Average age in years	47	47



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M

Notes to the Financial Statements

Figures in Rand

2021

2020

13. Employee benefits (continued)

The amounts recognised in the Statement of Financial Position are:

Projected benefit obligation	14 313 000	13 877 000
------------------------------	------------	------------

The amounts recognised in the Statement of Financial Performance are:

Current service cost	852 000	812 496
Interest cost	1 649 000	965 566
Recognised actuarial (gain) / losses	115 006	1 030 467

Amount charged to Statement of Financial Performance

2 616 006	2 808 529
------------------	------------------

The future service cost for the ensuing financial year is estimated to be R881 000, whereas the interest cost for the next financial year is estimated to be R1 489 000.

The best estimates for the employer benefit payments in the 2021/22 financial period is expected to be R1 847 000.

GRAP 25 stipulates that the choice of the discount rate should be derived from government bond yields consistent with the estimated term of the post-employment liabilities. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments, current market rates of the appropriate term should be used to discount shorter term payments, and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

A discount rate on a yield curve has been used. The nominal and real zero curves as at 30 June 2021 supplied by the JSE was used to determine the discounted rates and CPI assumptions at each relevant time period. This methodology was followed to present a more accurate depiction of the liability.

The underlying future rate of the consumer price index (CPI inflations) from the relationship between the (yield curve based) Conventional Bond Rate for each relevant time period and the (yield curve based) Inflation-linked Bond rate for each relevant time period. A general earnings inflation rate equal of CPI +1% over the expected term of the liability has been assumed.

Movements in the present value of the benefit obligation were as follows:

Opening benefit obligation	13 877 000	12 707 467
Payment to members (benefits vesting)	(2 180 006)	(1 638 996)
Actuarial (Gain) / Loss	115 006	1 030 467
Interest and service cost charged to Statement of Financial Performance	2 501 000	1 778 062

Closing benefit obligation

14 313 000	13 877 000
-------------------	-------------------

Key actuarial assumptions

Discount rate	Yield Curve	Yield Curve
Salary inflation	CPI +1%	CPI +1%
Average retirement age	62	62

Assumptions

	Change	Liability	% change
Central Assumptions		14 313 000	
General salary inflation	1%	15 228 000	6%
	-1%	13 478 000	-6%
Withdrawal rates	20%	13 860 000	-3%
	-20%	14 800 000	3%

Assumption	Change	Current service cost	Interest cost	Total	% change
Central assumptions		881 000	1 489 000	2 370 000	
General salary inflation	1 %	952 000	1 591 000	2 543 000	7 %
	-1 %	818 000	1 396 000	2 214 000	-7 %
Withdrawal rates	20 %	838 000	1 438 000	2 276 000	-4 %
	-20 %	928 000	1 544 000	2 472 000	4 %



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M

Notes to the Financial Statements

Figures in Rand

2021

2020

13. Employee benefits (continued)

History of Liabilities and Experience Adjustments	30 June 2017	30 June 2018	30 June 2019	30 June 2020	30 June 2021
Accrued liability	11 403 388	12 376 146	12 707 467	13 877 000	14 313 000
Experience adjustment	235 476	732 735	927 882	-	-

Retirement benefit information

The municipality makes provision for post-retirement benefits to eligible Councillors and employees who belong to different pension schemes. These funds are governed by the Pension Funds Act and include both defined benefit and defined contribution schemes.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where councillors / employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

These schemes are multi employer plans and are subject to a tri-annual, bi-annual or annual actuarial valuation as set out hereunder.

a) LA Retirement Fund (Previously: Cape Joint Pension Fund)

The LA Retirement Fund operates both as a defined benefit and defined contribution scheme.

This defined benefit plan is accounted for as a defined contribution plan as the municipality's liability in the proportionate share of actuarial gains and losses cannot readily be determined.

Defined Benefit Scheme

The contribution rate payable is under the defined benefit section is 27%, 9% by the members and 18% by their councils. The actuarial valuation report at 30 June 2020 disclosed an actuarial valuation amounting to R1 420 856 000 (30 June 2019 : R1 655 893 000), with a nett accumulated surplus of R0 (2019 : R11 167 000), with a funding level of 100% (30 June 2019 : 100.7%).

Defined Contribution Scheme

The actuarial valuation report at 30 June 2020 indicated that the defined contribution scheme of the fund is in a sound financial position, with assets amounting to R1 891 631 000 (30 June 2019 : R1 960 090 000), net investment reserve of Rnil (30 June 2019 : Rnil) and with a funding level of 100% (2019 : 100%).

The actuary concluded that:

- The funding level of the Pensioner Account reduced from 100.7% to 100.0% on the funding basis.
- The surplus in the Pensioner Account decreased from R11.2 million to zero as at the valuation date.
- The Trustees awarded a 1.0% pension increase with effect from 1 January 2021 and 55% of monthly pension payable as a bonus in December 2020.
- The Defined Contribution Section funding level was 100% and is in a sound Financial condition with a Contingency Reserve Account of R5.2 million as at the valuation date.

The nature of the assets is suitable for the Fund. 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 fully re-insured and this is appropriate for the size and nature of the Fund.



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M

Notes to the Financial Statements

Figures in Rand

2021

2020

13. Employee benefits (continued)

b) Consolidated Retirement Fund for Local Government (Previously: Cape Joint Retirement Fund)

The contribution rate for members is 7.5% of basic salary, whilst the respective Local Authorities are contributing 19.5%.

The fund provides defined contribution benefits to its active members and deferred members. The benefit payable on exit of a member is the Member's Share. This is broadly equal to the contributions (after costs) with the addition of investment returns.

The last statutory valuation performed as at 30 June 2020 revealed that the assets of the fund amounted to R28,424,000,000 (30 June 2019: R26,128,000,000), with funding levels of 132.2% and 100.5% (30 June 2019 124.9% 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 2020 & 2019. The contribution rate paid by the members (7,50%/9%) and the municipalities (7,50%/19,5%) is sufficient to fund the benefits accruing from the fund in the future. The actuary certified that the structure of the assets is appropriate relative to the nature of the liabilities, given normal circumstances and that the Fund is in a sound financial condition as at the valuation date.

c) The Municipal Workers Retirement Fund (Previously: SAMWU National Provident Fund)

The Municipal Workers Retirement Fund is a defined contribution scheme. Members contribute at a rate of not less than 7.5% of salaries, as required by the Rules. The employers contribute at a total rate of not less than 18%. From 1 July 2017, members and employers that fall under other bargaining councils or forums are not bound by the above minimum contribution rates. The statutory valuation performed as at 30 June 2017 revealed that the assets of the fund amounted to R7,720,948,000 (30 June 2014 : R6,574,775,000), with funding levels of 102.0% (30 June 2014: 111.7%). As a percentage of members' Fund Credits, the investment smoothing reserve has decreased from 5.6% to 4.9% over the valuation period. As a percentage of the market value of assets, it has decreased marginally from 4.6% to 4.4%. The Fund's assets are sufficient to cover the members' Fund Credits, the targeted levels of the risk benefits reserve and the data and processing error reserve, and an investment smoothing reserve of 4.9% of members' Fund Credits as at 30 June 2017. In addition, there is brought-forward surplus of some R152.8 million which has been allocated to former members and is awaiting payment. The Fund is therefore in a sound financial position.

d) The Municipal Councillors Pension Fund

The Municipal Councillors Pension Fund operates as a defined contribution scheme. The statutory valuation performed as at 30 June 2018 revealed that the assets of the fund amounted to R1,798,030,000 (30 June 2015 : R2,551,861,000), with funding levels of 103.26% (30 June 2015: 101.08%). The contribution rate paid by the members (13,75 %) and council (15 %) is sufficient to fund the benefits accruing from the fund in the future. The Actuary certified that the Fund was in a sound financial condition as at 30 June 2018, in that the assets of the fund were sufficient to cover the accrued service liabilities including the recommended contingency reserves in full.

The appointment of a Curator in terms of section 5(1) of the Financial Institutions (protection of funds) Act 2001 for the whole of the business of the Municipal Councillors Pension Fund was done in December 2017. Due to the provisional curatorship, a short 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.

14. Accumulated surplus

Ring- fenced internal funds within accumulated surplus - 2021

	Capital replacement reserve	Government grant reserve	Accumulated surplus	Total
Opening balance	70 766 026	3 155 272	654 561 767	728 483 065
Surplus for the year	-	-	26 707 294	26 707 294
Property, plant and equipment purchases	(5 308 992)	(213 558)	5 522 550	-
	65 457 034	2 941 714	686 791 611	755 190 359



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M.

Notes to the Financial Statements

Figures in Rand

2021

2020

14. Accumulated surplus (continued)

Ring- fenced internal funds within accumulated surplus - 2020

	Capital replacement reserve	Government grant reserve	Accumulated surplus	Total
Opening balance	68 220 558	3 291 509	610 688 578	682 200 645
Surplus for the year	-	-	46 282 420	46 282 420
Property, plant and equipment purchases	(7 436 532)	(136 237)	7 572 769	-
Intangible assets purchases	(18 000)	-	18 000	-
Transfer from/ to reserve	10 000 000	-	(10 000 000)	-
	70 766 026	3 155 272	654 561 767	728 483 065

15. Provisions

Reconciliation of provisions - 2021

	Opening Balance	Additions	Utilised during the year	Total
Provision (Insurance claims)	57 263	6 440	(57 263)	6 440

Reconciliation of provisions - 2020

	Opening Balance	Additions	Utilised during the year	Total
Provision (Insurance claims)	13 471	57 263	(13 471)	57 263

The provision relates to insurance claims, which were not finalised at year end, but was finalised before the financial statements was authorised for issue.

16. Service charges

Fire service charges	194 644	111 143
----------------------	---------	---------

17. Rental of facilities and equipment

Premises

Premises	238 615	229 975
----------	---------	---------

Future minimum lease payments due

	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
Premises	217 043	-	-	217 043

Included in the above rentals are operating lease rentals at straight-lined amounts of Rnil (2020:Rnil) as well as contingent rentals of Rnil (2020: Rnil).

Operating lease entered into with lessee for a period of 32 months subject to a escalation of not less than the average Consumer Price Index (CPI).

CWDM does not have any significant leasing arrangements.

No restrictions are imposed by any leasing arrangement.



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M.

Notes to the Financial Statements

Figures in Rand	2021	2020
-----------------	------	------

18. Roads services

Department of Transport and Public Works	105 032 933	106 276 009
--	-------------	-------------

The municipality has a service level agreement with the WCPG, The Department of Transport and Public Works for rendering of services regarding the roads function within the jurisdiction of the CWDM.

19. Other income

Brokerage	60 716	58 293
LG SETA refund	252 413	334 719
Electricity income (Eerste Begin)	12 944	3 304
Insurance income	208 613	364 444
Tender document income	765	22 995
Municipal health income	669 682	647 865
Miscellaneous income	10 985	76 331
	1 216 118	1 507 951

20. Investment revenue

Interest on investments	38 231 810	55 405 905
-------------------------	------------	------------

21. Government grants and subsidies

Operating grants

Equitable share	2 512 000	2 339 000
Sandhills - toilet hire	984 484	920 077
RSC Levy Replacement grant	236 373 000	229 717 000
Expanded Public Works	1 503 000	1 581 000
Community development workers (CDW) operational support grant	8 760	45 113
Local government financial management grant	1 000 000	1 000 000
Integrated transport planning	952 795	812 452
Local government support grant	-	100 000
Municipal disaster relief grant	-	119 000
Municipal system improvement grant	-	162
Western Cape financial management support grant	-	280 000
Municipal service delivery and capacity building grant	-	400 000
Local government internship grant	128 455	72 000
Safety initiative implementation - Whole of society approach (WOSA)	2 134 550	1 770 849
	245 597 044	239 156 653

Unconditional

Included in above are the following grants and subsidies received:

Equitable share	2 512 000	2 339 000
RSC Levy Replacement grant	236 373 000	229 717 000
	238 885 000	232 056 000



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M.

Notes to the Financial Statements

Figures in Rand

2021

2020

21. Government grants and subsidies (continued)

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 (CDW) operational support grant

Balance unspent at beginning of year	102 887	-
Current-year receipts	75 000	148 000
Conditions met - transferred to revenue	(8 760)	(45 113)
	<u>169 127</u>	<u>102 887</u>

Conditions still to be met - remain liabilities (see note 11).

Strategic Objective: Financial and Strategic Support Services.

To provide financial assistance to municipalities to cover the operational and capital costs pertaining to the line functions of the community development workers including the supervisors and regional coordinators.

Integrated transport planning

Balance unspent at beginning of year	875 250	892 006
Current-year receipts	900 000	900 000
Conditions met - transferred to revenue	(952 794)	(812 452)
Refund of unspent portion	-	(104 304)
	<u>822 456</u>	<u>875 250</u>

Conditions still to be met - remain liabilities (see note 11).

Strategic Objective: Technical Services.

The funds were utilised to review and update municipal Integrated Transport Plans in terms of the National Land Transport Act, 2009 (Act No. 5 of 2009).

Local government financial management grant

Balance unspent at beginning of year	-	-
Current-year receipts	1 000 000	1 000 000
Conditions met - transferred to revenue	(1 000 000)	(1 000 000)
	<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 audit outcome, the District Maintenance Maturity Assessment and to implement National Treasury's internship programme.



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M

Notes to the Financial Statements

Figures in Rand

2021

2020

21. Government grants and subsidies (continued)

Fire service capacity building grant

Balance unspent at beginning of year	1 046 000	-
Current-year receipts	-	1 046 000
	<u>1 046 000</u>	<u>1 046 000</u>

Conditions still to be met - remain liabilities (see note 11).

Strategic Objective: Community Development and Planning Services.

To provide financial assistance to municipalities to ensure functional emergency communication, mobilisation systems and fire services.

Western Cape financial management support grant

Balance unspent at beginning of year	-	895 040
Current-year receipts	-	280 000
Conditions met - transferred to revenue	-	(280 000)
Refund of unspent portion	-	(895 040)
	<u>-</u>	<u>-</u>

Conditions still to be met - remain liabilities (see note 11).

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.

Water and sanitation

Balance unspent at beginning of year	35 560	35 560
Refund of unspent portion	(35 560)	-
	<u>-</u>	<u>35 560</u>

Conditions still to be met - remain liabilities (see note 11).

Strategic Objective: Technical Services

No funds were utilised during the 2019/2020 financial year and was paid back to the Department of Human settlements during the 2020/2021 financial year.

Sandhills-toilet hire

Balance unspent at beginning of year	-	-
Current-year receipts	984 484	920 077
Conditions met - transferred to revenue	(984 484)	(920 077)
	<u>-</u>	<u>-</u>

Strategic Objective: Technical Services.

The allocation is made to the municipality by the Department of Transport and Public Works as a refund for temporary toilets hired in Sandhills.



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M.

Notes to the Financial Statements

Figures in Rand

2021

2020

21. Government grants and subsidies (continued)

Expanded Public Works

Balance unspent at beginning of year	-	-
Current-year receipts	1 503 000	1 581 000
Conditions met - transferred to revenue	(1 503 000)	(1 581 000)
	<u>-</u>	<u>-</u>

Strategic Objective: Financial and Strategic Support Services, Community Development & Planning Services and Technical Services.

This grant incentivises the municipality to expand job creation efforts through the use of labour intensive delivery methods in various identified focus areas, in compliance with the Expanded Public Works Programme Guidelines.

The grant contributed towards increased levels of employment in areas where unemployment is relatively high as well as providing work experience and gaining expertise through in house training.

Western Cape financial management capacity building grant

Balance unspent at beginning of year	380 000	278 719
Current-year receipts	-	380 000
Refund of unspent portion	(380 000)	(278 719)
	<u>-</u>	<u>380 000</u>

Conditions still to be met - remain liabilities (see note 11).

Strategic Objective: Financial and Strategic Support Services

To develop financial human capacity within the municipal area 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.

Rural Roads Asset Management System grant (RRAMS)

Balance unspent at beginning of year	2 849 000	296 234
Current-year receipts	2 711 000	2 849 000
Refund of unspent portion	(2 849 000)	(296 234)
	<u>2 711 000</u>	<u>2 849 000</u>

Conditions still to be met - remain liabilities (see note 11).

Strategic Objective: Technical Services.

The purpose is to assist rural district municipalities in setting up their road asset management systems and collect road and traffic data in line with the Road Infrastructure Strategic Framework for South Africa (RISFSA).

Municipal Service Delivery and Capacity Building Grant

Balance unspent at beginning of year	-	400 000
Conditions met - transferred to revenue	-	(400 000)
	<u>-</u>	<u>-</u>

Conditions still to be met - remain liabilities (see note 11).

Strategic Objective: Financial and Strategic Support Services



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M.

Notes to the Financial Statements

Figures in Rand

2021

2020

21. Government grants and subsidies (continued)

To provide financial assistance to municipalities to improve infrastructure, systems, structures, corporate governance and service delivery.

Local Government Internship Grant

Balance unspent at beginning of year	160 000	72 000
Current-year receipts	-	160 000
Conditions met - transferred to revenue	(128 455)	(72 000)
	31 545	160 000

Conditions still to be met - remain liabilities (see note 11).

Strategic Objective: Financial and Strategic Support Services

The purpose of the grant is to provide financial assistance to municipalities in support of capacity building for the future by means of an internship programme.

Safety initiative implementation - Whole of society approach (WOSA)

Balance unspent at beginning of year	329 151	1 000 000
Current-year receipts	2 100 000	1 100 000
Conditions met - transferred to revenue	(2 134 550)	(1 770 849)
	294 601	329 151

Conditions still to be met - remain liabilities (see note 11).

Strategic Objective: Community Development and Planning Services.

To enable a resilient, sustainable, quality living environment through the operationalisation of a Safety Plan.

Local Government Support Grant

Balance unspent at beginning of year	-	-
Current-year receipts	-	100 000
Conditions met - transferred to revenue	-	(100 000)
	-	-

Strategic Objective: Community Development and Planning Services.

To provide financial assistance to district municipalities to perform the administrative and monitoring role, including data management relating to humanitarian relief.

To provide financial assistance to local municipalities to augment and support current humanitarian relief initiatives.



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M.

Notes to the Financial Statements

Figures in Rand

2021

2020

21. Government grants and subsidies (continued)

Municipal Disaster Relief Grant

Balance unspent at beginning of year	-	-
Current-year receipts	-	119 000
Conditions met - transferred to revenue	-	(119 000)
	<u>-</u>	<u>-</u>

Strategic Objective: Community Development and Planning Services.

To provide for the immediate release of disaster response.

Municipal systems improvement grant

Balance unspent at beginning of year	-	162
Conditions met - transferred to revenue	-	(162)
	<u>-</u>	<u>-</u>

Conditions still to be met - remain liabilities (see note 11).

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.

22. Public contributions and donations

Public contributions and donations	17 240	-
------------------------------------	--------	---

Reconciliation of conditional contributions

Balance unspent at beginning of year	727 945	727 945
Conditions met - transferred to revenue	(17 240)	-
Refund of unspent portion	(450 113)	-
	<u>260 592</u>	<u>727 945</u>

Conditions still to be met - remain liabilities (see note 11)

2021	Balance unspent at beginning of year	Current year receipts	Conditions met - transferred to revenue	Refund of unspent portion	Balance unspent at the end of the year
Road station road Ceres	277 831	-	(17 240)	-	260 591
Upgrade of Rural Roads: De Novo	450 114	-	-	(450 114)	-
	<u>727 945</u>	<u>-</u>	<u>(17 240)</u>	<u>(450 114)</u>	<u>260 591</u>
2020	Balance unspent at beginning of year	Current year receipts	Conditions met - transferred to revenue	Refund of unspent portion	Balance unspent at the end of the year
Road station road Ceres	277 831	-	-	-	277 831
Upgrade of Rural Roads: De Novo	450 114	-	-	-	450 114
	<u>727 945</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>727 945</u>



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M.

Notes to the Financial Statements

Figures in Rand

2021

2020

23. Employee related costs

Basic	121 712 558	117 515 628
Bonus	9 817 509	9 478 156
Medical aid - company contributions	12 492 678	12 044 802
UIF	771 951	764 708
WCA	976 739	996 071
Leave pay provision charge	2 606 703	4 263 190
Defined contribution plans	20 644 967	19 988 774
Travel, motor car, accommodation, subsistence and other allowances	12 274 761	12 619 986
Overtime payments	8 363 816	7 398 321
Current service cost	2 666 584	2 633 428
Acting allowances	169 296	247 763
Actuarial loss / (gain)	(136 737)	(8 324 283)
Housing benefits and allowances	4 801 378	4 941 679
Other allowances	6 691 517	6 330 953
Interest cost	16 984 705	10 158 010
Group schemes	1 535 395	1 270 288
Telephone	697 111	707 970
Performance bonus	630 219	246 803
	223 701 150	203 282 247

2021

	Long service awards	Ex gratia	PRMA	Less: Funded asset	Total
Current service cost	852 000	-	2 618 000	(803 416)	2 666 584
Interest cost	1 649 000	74 000	20 739 000	(5 477 295)	16 984 705
Net actuarial (gains)/ losses recognised	115 006	245 170	(7 443 229)	6 946 316	(136 737)
	2 616 006	319 170	15 913 771	665 605	19 514 552

2020

	Long service awards	Ex gratia	PRMA	Less: Funded asset	Total
Current service cost	812 496	-	2 447 928	(626 996)	2 633 428
Interest cost	965 566	141 098	12 578 906	(3 527 560)	10 158 010
Net actuarial (gains)/ losses recognised	1 030 467	(203 106)	(16 372 687)	7 221 043	(8 324 283)
	2 808 529	(62 008)	(1 345 853)	3 066 487	4 467 155



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M.

Notes to the Financial Statements

Figures in Rand

2021

2020

23. Employee related costs (continued)

Remuneration of senior management

2021	Basic salary	Car allowance	Performance bonuses	Contribution to UIF, medical and pension funds	Other	Total
Municipal Manager	1 260 503	360 000	169 857	79 883	24 000	1 894 243
Chief Financial Officer	997 776	240 000	151 246	243 964	132 154	1 765 140
ED: Community development and planning services (P.A. Williams)	1 096 848	300 000	70 520	32 424	24 000	1 523 792
ED: Technical services	1 161 269	150 000	151 246	253 417	24 000	1 739 932
	4 516 396	1 050 000	542 869	609 688	204 154	6 923 107
2020	Basic Salary	Car allowance	Performance bonuses	Contribution to UIF, medical and pension funds	Other	Total
Municipal Manager	1 346 702	283 500	169 857	70 156	24 000	1 894 215
Chief Financial Officer	659 874	240 000	144 319	160 664	463 409	1 668 266
ED: Community development and planning services (P.A. Williams)	548 800	150 000	-	15 822	12 000	726 622
ED: Community development and planning services (C.V. Schroeder)	183 340	29 758	-	39 277	833 117	1 085 492
Acting ED: Community development and planning services (B. Darries)	85 166	-	-	-	4 500	89 666
ED: Technical services	1 095 380	150 000	129 887	245 771	24 000	1 645 038
	3 919 262	853 258	444 063	531 690	1 361 026	7 109 299

The following accrued to key management personnel in terms of GRAP 25 at year end:

Staff leave

Municipal Manager	205 211	149 693
Chief Financial Officer	57 401	91 112
ED: Community development and planning services (P.A. Williams)	68 793	68 793
ED: Technical Services	89 290	110 669
	420 695	420 267



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M.

Notes to the Financial Statements

Figures in Rand

2021

2020

24. Remuneration of councillors

Executive Mayor	1 091 397	1 091 397
Deputy Mayor	554 727	554 727
Speaker	881 997	881 997
Other Councillors	10 129 062	10 081 908
	12 657 183	12 610 029

2021	Salaries	Contribution to medical and pension funds	Car allowance	Other	Total
Executive Mayor	364 712	110 162	180 000	436 523	1 091 397
Deputy Mayor	432 026	-	122 701	-	554 727
Speaker	627 609	78 799	101 189	74 400	881 997
Other Councillors	7 390 092	329 918	1 743 052	666 000	10 129 062
	8 814 439	518 879	2 146 942	1 176 923	12 657 183

2020	Salaries	Contribution to medical and pension funds	Car allowance	Other	Total
Executive Mayor	369 514	105 360	180 000	436 523	1 091 397
Deputy Mayor	432 026	-	122 701	-	554 727
Speaker	629 424	76 984	101 189	74 400	881 997
Other Councillors	7 368 587	304 267	1 743 054	666 000	10 081 908
	8 799 551	486 611	2 146 944	1 176 923	12 610 029

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.

25. Depreciation and amortisation

Property, plant and equipment	9 109 939	8 348 117
Intangible assets	128 379	128 730
	9 238 318	8 476 847

26. Debt impairment

Debt impairment	32 597	231 779
Debt impairment reversal	-	(181 186)
	32 597	50 593



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M.

Notes to the Financial Statements

Figures in Rand	2021	2020
27. Transfers and subsidies		
Grants in aid		
Community and Social Services	299 025	61 608
Farmer households	1 138 499	153 180
Social relief	-	254 210
Sport and recreation	564 146	418 790
Private Enterprises	960 566	-
	2 962 236	887 788
Monetary allocations		
Fire services	250 000	250 000
Farmer households	1 185 000	1 148 000
Community and social services	329 982	680 000
Social relief	399 995	358 397
Tourism	2 269 873	1 907 803
Sport and recreation	1 276 334	1 345 283
Support to Local Municipalities	3 500 000	12 280 641
	9 211 184	17 970 124
	12 173 420	18 857 912
28. Contracted services		
Outsourced Services		
Alien Vegetation Control	1 711 716	1 030 052
Burial Services	12 250	14 250
Business and Advisory	2 407 133	686 698
Cleaning Services	323 624	176 366
Clearing and Grass Cutting Services	2 266 276	168 387
Hygiene Services	1 508 980	1 062 285
Professional Staff	110 630	946 965
Security Services	1 822 990	2 971 552
Translators, Scribes and Editors	171 673	309 239
Traffic Control	-	193 444
Consultants and Professional Services		
Business and advisory	4 081 977	6 066 629
Infrastructure and planning	1 184 575	19 273
Laboratory services	1 812 430	1 888 489
Legal cost	140 967	210 187
Contractors		
Artists and Performers	460 100	254 950
Audio-visual Services	14 709	16 000
Catering Services	293 012	789 231
Employee Wellness	150 135	18 600
Fire Services	8 340 441	15 947 157
Gardening Services	75 367	-
Graphic Designers	83 188	2 700
Maintenance of Buildings, Facilities, Equipment and Unspecified Assets	4 759 285	3 914 092
Medical Services	5 100	739
Pest Control and Fumigation	3 522	16 580
Photographer	7 929	3 500
Plants, Flowers and Other Decorations	930	2 300
Transportation	16 417	-
Stage and Sound Crew	21 789	50 830
Exhibit Installations	-	26 984
	31 787 145	36 787 479



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M

Notes to the Financial Statements

Figures in Rand	2021	2020
29. General expenses		
Achievements and awards	17 174	116 477
Advertising, publicity and marketing	3 496 831	2 550 594
Bank charges, facility and card fees	264 812	79 928
Bargaining council	56 301	52 574
Bursaries (employees)	21 915	-
Communications	4 285 384	3 454 895
Courier and delivery services	52 508	1 310
Deeds	1 932	906
Drivers licenses and permits	15 696	16 635
External computer services	6 811 240	6 965 822
Full time union representatives	74 193	201 581
Hire charges	6 938 012	9 062 180
Insurance underwriting	2 405 379	2 284 592
Licenses	87 664	125 166
Municipal services	6 372 590	6 192 116
Parking fees	-	250
Printing and stationery	1 299 161	986 079
Printing, publication and books	297 299	142 237
Refreshments	191 206	195 421
Professional bodies, membership and subscription	2 152 063	2 033 102
Registration fees	24 904	117 754
Road worthy test	11 190	14 559
Skill development fund levy	1 506 311	1 435 541
Tollgate fees	207 453	157 377
Transport provided as part of departmental activities	215 807	1 001 800
Travel agency and visas	-	2 965
Travel and subsistence	546 897	1 546 155
Uniforms and protective clothing	977 985	1 085 145
Vehicle tracking	394 207	360 412
Wet fuel	8 049 544	7 178 333
Chemicals	149 453	169 689
Cleaning Materials	302 553	357 021
Materials and supplies	22 918 322	23 361 097
Auditors remuneration	2 308 865	3 093 930
Office decorations	-	3 199
Entrance fees	-	28 700
Samples and Specimens	-	56
Entertainment	20 159	16 592
Consumables	1 159 680	897 715
	73 634 690	75 289 905
30. Auditors' remuneration		
Fees	2 308 865	3 093 930



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M.

Notes to the Financial Statements

Figures in Rand

2021

2020

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
Assets				
Current Assets				
Cash and cash equivalents	716 992 699	-	-	716 992 699
Trade receivables from exchange transactions	74 781	-	-	74 781
Other receivables from exchange transactions	26 075 197	(486 434)	-	25 588 763
Receivables from non-exchange transactions	313 530	-	-	313 530
Inventories	2 888 968	-	-	2 888 968
VAT receivable	1 441 403	-	-	1 441 403
Employee benefit asset	2 002 682	-	-	2 002 682
	749 789 260	(486 434)	-	749 302 826
Non-Current Assets				
Property, plant and equipment	158 436 891	8 179	-	158 445 071
Intangible assets	867 211	(129 281)	-	737 930
Employee benefit asset	5 430 459	-	-	5 430 459
	164 734 561	(121 102)	-	164 613 460
Total Assets	914 523 821	(607 536)	-	913 916 286
Liabilities				
Current Liabilities				
Payables from exchange transactions	8 220 682	(267 584)	-	7 953 098
Unspent conditional grants and receipts	6 505 793	-	-	6 505 793
Provisions	57 263	-	-	57 263
Employee benefit obligation	34 655 570	-	-	34 655 570
	49 439 308	(267 584)	-	49 171 724
Non-Current Liabilities				
Employee benefit obligation	136 261 501	-	-	136 261 501
Total Liabilities	185 700 809	(267 584)	-	185 433 225
Net Assets	728 823 012	(339 952)	-	728 483 061
Net Assets				
Accumulated surplus	728 823 012	(339 951)	-	728 483 061



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M

Notes to the Financial Statements

Figures in Rand

2021

2020

31. Prior period errors (continued)

31.1 Other receivables from exchange transactions

Balance previously reported	26 075 197
Other receivables*	(20 000)
Staff debtor**	(466 434)
	25 588 763

* Due to Covid-19 and the lock downs during the 2019/2020 financial year, McGregor Tourism cancelled a project for which funds were received from the CWDM. A debtor was raised incorrectly i.r.o the refund of the R 20 000 transfer made to McGregor Tourism during the 2019/2020 financial year, as the funds were already paid back to the CWDM on 05 June 2020.

** A staff debtor was raised pertaining to fruitless and wasteful expenditure where payments were made and the project was not fully completed. A subsequent investigation followed and it was concluded that value for money was received for the money spent.

31.2 Property, plant and equipment

Balance previously reported	158 436 891
Accumulated Depreciation: The depreciation of PPE Additions of 2019/2020 correction *	8 180
	158 445 071

* The depreciation of the Property, Plant and equipment's additions for 2019/2020 financial year were calculated incorrectly on the financial system. The error impacted the Accumulated depreciation of Buildings R11 247, Furniture and fittings (R1 066), Motor Vehicles (R13 999), Office Equipment (R6 069), Plant and equipment (R3 018) and Other Plant and equipment R4 727. The error also impacted the depreciation for 2019/2020 financial year of Property, Plant and equipment with (R8 180).

31.3 Intangible assets

Balance previously reported	867 211
Accumulated Amortisation: The amortisation of Intangible Assets Additions of 2019/2020 correction *	1 582
Intangible assets Cost corrected as general expenditure **	(220 933)
Intangible assets: Accumulated Amortisation corrected as general expenditure **	90 070
	737 930

* The amortisation of the Intangible assets's additions for 2019/2020 financial year were calculated incorrectly on the financial system. The error impacted the Accumulated amortisation of Intangibles assets with (R1 582). The error also impacted the amortisation for 2019/2020 financial year of Intangible Assets with (R1 582).

** Software licences were incorrectly accounted for as an Intangible asset. The software licences payments were for services received in the respective financial year and therefore meets the definition of an expense. The error impacted the Opening balance of Cost (R202 933), the Opening balance of Accumulated Amortisation (R68 330) and the Opening balance of Accumulated surplus of 2019/2020 financial year of R134 604. The error also impacted the cost (R18 000), Amortisation R21 742, Accumulated amortisation (R21 742) and surplus R18 000 for 2019/2020 financial year.

31.4 Payables from exchange transactions

Balance previously reported	8 220 682
Retention *	(267 584)
	7 953 098



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M

Notes to the Financial Statements

Figures in Rand

2021

2020

31. Prior period errors (continued)

* An amount of R 92 227 was held back as retention for the extension of sidewalks- Robertson Phase 2, which was not completed by the contractor. The WCPG agreed to complete the project and the retention money held should have been reversed to the expenditure item. The retention amount of R175 357 that was held back for the Upgrading of the Divisional & Minor Road was paid back to the contractor during the 2015/2016 financial year.

31.5 Accumulated surplus

Balance previously reported	728 823 012
Other receivables *	(20 000)
Accumulated Depreciation: The depreciation of PPE Additions of 2019/2020 correction**	8 180
Accumulated Amortisation: The amortisation of Intangible Assets Additions of 2019/2020 correction ***	1 582
Staff debtor ****	(466 434)
Retention *****	267 584
Intangible assets corrected as general expenditure *****	(130 863)
	728 483 061

* Due to Covid-19 and the lock downs during the 2019/2020 financial year, McGregor Tourism cancelled a project for which funds were received from the CWDM. A debtor was raised incorrectly i.r.o the refund of the R 20 000 transfer made to McGregor Tourism during the 2019/2020 financial year, as the funds were already paid back to the CWDM on 05 June 2020.

** The depreciation of the Property, Plant and equipment's additions for 2019/2020 financial year were calculated incorrectly on the financial system. The error impacted the Accumulated depreciation of Buildings R11 247, Furniture and fittings (R1 066), Motor Vehicles (R13 999), Office Equipment (R6 069), Plant and equipment (R3 018) and Other Plant and equipment R4 727. The error also impacted the depreciation for 2019/2020 financial year of Property, Plant and equipment with (R8 180).

*** The amortisation of the Intangible assets's additions for 2019/2020 financial year were calculated incorrectly on the financial system. The error impacted the Accumulated amortisation of Intangibles assets with (R1 582). The error also impacted the amortisation for 2019/2020 financial year of Intangible Assets with (R1 582).

**** A staff debtor was raised pertaining to fruitless and wasteful expenditure where payments were made and the project was not fully completed. A subsequent investigation followed and it was concluded that value for money was received for the money spent.

***** An amount of R 92 227 was held back as retention for the extension of sidewalks- Robertson Phase 2, which was not completed by the contractor. The WCPG agreed to complete the project and the retention money held should have been reversed to the expenditure item. The retention amount of R175 357 that was held back for the Upgrading of the Divisional & Minor Road was paid back to the contractor during the 2015/2016 financial year.

***** Software licences were incorrectly accounted for as an Intangible asset. The software licences payments were for services received in the respective financial year and therefore meets the definition of an expense. The error impacted the Opening balance of Cost (R202 933), the Opening balance of Accumulated Amortisation (R68 329) and the Opening balance of Accumulated surplus of 2019/2020 financial year of R134 604. The error also impacted the cost (R18 000), Amortisation R21 742, Accumulated amortisation (R21 742) and surplus R18 000 for 2019/2020 financial year.



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M.

Notes to the Financial Statements

Figures in Rand

2021

2020

31. Prior period errors (continued)

Statement of Financial Performance

	Audited	Prior year error	Reclasifications	Restated
Revenue				
Revenue from exchange transactions				
Service charges	111 143	-	-	111 143
Rental of facilities and equipment	229 975	-	-	229 975
Roads services	106 276 009	-	-	106 276 009
Other income	1 507 951	-	-	1 507 951
Interest received - investment	55 405 905	-	-	55 405 905
Total revenue from exchange transactions	163 530 983	-	-	163 530 983
Revenue from non-exchange transactions				
Transfer revenue				
Government grants & subsidies	239 156 653	-	-	239 156 653
Total revenue	402 687 636	-	-	402 687 636
Expenditure				
Employee related costs	(203 282 247)	-	-	(203 282 247)
Remuneration of councillors	(12 610 029)	-	-	(12 610 029)
Depreciation and amortisation	(8 508 351)	31 504	-	(8 476 847)
Debt impairment	(50 593)	-	-	(50 593)
Bad debt written off	(162 507)	-	-	(162 507)
Contracted services	(36 787 479)	-	-	(36 787 479)
Lease rentals on operating lease	(271 040)	-	-	(271 040)
Transfers and subsidies	(18 837 912)	(20 000)	-	(18 857 912)
General Expenses	(75 271 906)	(18 000)	-	(75 289 906)
Total expenditure	(355 782 064)	(6 496)	-	(355 788 559)
Operating surplus	46 905 572	(6 496)	-	46 899 077
Loss on disposal of assets and liabilities	(581 218)	-	-	(581 218)
Inventories losses/ write-downs	(35 439)	-	-	(35 439)
	(616 657)	-	-	(616 657)
Surplus for the year	46 288 915	(6 496)	-	46 282 420

31.6 Depreciation and amortisation

Balance previously reported	(8 508 351)
Accumulated Depreciation: The depreciation of PPE Additions of 2019/2020 correction*	8 180
Accumulated Amortisation: The amortisation of Intangible Assets Additions of 2019/2020 correction **	1 582
Intangible assets corrected as general expenditure ***	21 742
	(8 476 847)

* The depreciation of the Property, Plant and equipment's additions for 2019/2020 financial year were calculated incorrectly on the financial system. The error impacted the Accumulated depreciation of Buildings R11 247, Furniture and fittings (R1 066), Motor Vehicles (R13 999), Office Equipment (R6 069), Plant and equipment (R3 018) and Other Plant and equipment R4 727. The error also impacted the depreciation for 2019/2020 financial year of Property, Plant and equipment with (R8 180).



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M

Notes to the Financial Statements

Figures in Rand

2021

2020

31. Prior period errors (continued)

** The amortisation of the Intangible assets's additions for 2019/2020 financial year were calculated incorrectly on the financial system. The error impacted the Accumulated amortisation of Intangibles assets with (R1 582). The error also impacted the amortisation for 2019/2020 financial year of Intangible Assets with (R1 582).

*** Software licences were incorrectly accounted for as an Intangible asset. The software licences payments were for services received in the respective financial year and therefore meets the definition of an expense. The error impacted the Opening balance of Cost (R202 933), the opening balance of Accumulated Amortisation (R68 329) and the opening balance of Accumulated surplus of 2019/2020 financial year of R134 604. The error also impacted the cost (R18 000), Amortisation and Accumulated amortisation (R21 742) of Intangibles with (R21 742) and accumulated surplus (R18 000) for 2019/2020 financial year.

31.7 Transfers and subsidies

Balance previously reported	(18 837 912)
Tourism *	(20 000)
	(18 857 912)

* Due to Covid- 19 and the lock downs during the 2019/2020 financial year McGregor Tourism cancelled a project for which funds were received from the CWDM. A debtor was raised incorrectly during the 2019/2020 financial year for a refund of the transfer of R20 000 from McGregor Toursim as they did refund the money on the 5 June 2020.

31.8 General Expenses

Balance previously reported	(75 271 905)
Assets less than the capitalisation threshold *	58 083
Consumables *	(42 403)
Materials and Supplies *	(15 680)
External computer services **	(18 000)
	(75 289 905)

* An assessment was made on the expenditure recorded as assets less than the capitalisation thershold in the previous financial year and it was concluded that the expenditure was incorrectly classified. The expenditure are therefore reclassified to Consumables and Materials and Supplies.

** Software licences were incorrectly accounted for as an Intangible asset. The software licences payments were for services received in the respective financial year and therefore meets the definition of an expense. The error impacted the Opening balance of Cost (R202 933), the opening balance of Accumulated Amortisation (R68 330) and the opening balance of Accumulated surplus of 2019/2020 financial year of R134 604. The error also impacted the cost (R18 000), Amortisation and Accumulated amortisation (R21 741) of Intangibles with (R21 741) and accumulated surplus (R18 000) for 2019/2020 financial year.

31.9 Additional disclosure

Irregular expenditure

Correction of prior period error	1 486 022	-
----------------------------------	-----------	---

Two cases where payments were made in terms of a contract with a consulting engineer where where delays in completion resulted in additional supervision, as well as the technical specialists required during the construction phase, geotechnical services and health and safety inspections and guidance as enforced by the Construction Regulations, 2014 under the Occupational Health and Safety Act, 1993 and where the amounts charged, exceeded the allowable fee that is based on the sub-appointed contractor's costs.

An investigation, subsequent to the initial investigation, concluded on 2 February 2021 that fair value has been received for portions completed partially in terms of the services and value that was delivered in the one case. Also, that fair value has been received for those portions of the tender that have been completed (fully or partially) and that the increased fee of R195,944 should be paid to the consulting engineer.



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M

Notes to the Financial Statements

Figures in Rand

2021

2020

31. Prior period errors (continued)

Adequate processes in terms of MFMA Section 116 and Supply Chain Management Policy of the Municipality was not followed to expand on the respective contracts. The subsequent investigation was concluded in February 2021.

Financial instruments (Note 33)

The comparative amounts that were disclosed in the 2019/2020 financial instruments disclosure note 33 were amended from the amounts disclosed in the 2019/2020 financial statements. This was due to the correction of errors as included in note 33 relating to Other receivables from exchange transactions (note 31.1)

32. Cash generated from operations

Surplus	26 707 296	46 282 420
Adjustments for:		
Depreciation and amortisation	9 238 318	8 476 847
Loss on sale of assets and liabilities	167 052	581 218
Debt impairment	32 597	50 593
Movements in retirement benefit assets and liabilities	15 937 623	5 442 309
Inventory write off	91 017	35 439
Changes in working capital:		
Other receivables from exchange transactions	4 288 666	3 966 035
Trade Receivables from exchange transactions	(18 802)	(90 604)
Other receivables from non-exchange transactions	229 661	(240 276)
Movement in provisions	(50 823)	43 792
Payables from exchange transactions	(3 355 661)	3 354 897
VAT	(273 920)	(1 492 900)
Unspent conditional grants and receipts	(1 170 472)	1 908 127
Inventories	36 754	(392 156)
Employee benefit obligation	6 522 945	9 207 355
Long term receivable	(6 522 945)	(9 207 355)
	51 859 306	67 925 741

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	60 986	74 781
Other receivables from exchange transactions	18 997 269	23 189 098
Receivables from non-exchange transactions	83 869	313 530
Cash and Cash equivalents	766 153 639	716 992 699
	785 295 763	740 570 108

Financial liabilities at amortised cost

Payables from exchange transactions	7 421 618	7 953 100
-------------------------------------	-----------	-----------

Refer to notes 3, 4, 5, 8 and 12 for additional disclosures.

Liquidity risk

The municipality has limited exposure to liquidity risk and is able to meet its financial obligations as it falls due. The municipality limits exposure to liquidity risk by ensuring all liabilities are cash backed.

The following are contractual maturities of financial assets and liabilities.



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M

Notes to the Financial Statements

Figures in Rand 2021 2020

33. Financial instruments (continued)

At 30 June 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	7 421 618	-	-	-
At 30 June 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	7 953 098	-	-	-

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	2021	2020
Other receivables from exchange transactions	18 997 269	23 189 098
Trade receivables from exchange transactions	60 986	74 781
Cash and cash equivalents	766 153 639	716 992 699
Receivables from non-exchange transactions	83 869	313 530

Fair Values

Due to their short maturities the fair values of all financial instruments are substantially identical to the values reflected in the Statement of Financial Position.

There were no changes in the municipality's approach to financial risk management from the prior year.

Interest rate risk

The municipality's exposure to interest rate risk and effective interest rate on financial instruments at balance sheet date are as follows:

The council has no outstanding loans as at 30 June 2021 (2020: R nil). The average interest rate on investments is 5.14% (2020: 7.89%). The municipality invest with multiple banks with varying interest rates linked to the prime rate.

Market risk

It is the risk that changes in market prices, such as foreign currency exchange rates and interest rates that will affect the municipality's projected income. The municipality does not hold any assets that are impacted by changes in the market.

Foreign currency risk is deemed to be minimal as very few foreign currency transactions are conducted.

There were no changes in the municipality's approach to financial risk management from the prior year.

34. Going concern

We draw attention to the fact that at 30 June 2021, the municipality had an accumulated surplus of R 755 190 440 (2020: R 728 483 061).

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

With the abolishment of the Regional Services Council Levies on 30 June 2006, the CWDM is dependent on Government Grants, including the Equitable Share, for approximately 62% of the municipality's revenue. In addition, funds received for Roads services account for a further 29%.



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M.

Notes to the Financial Statements

Figures in Rand

2021

2020

35. Unauthorised expenditure

No unauthorised expenditure were incurred and identified for the current and previous financial years.

36. Fruitless and wasteful expenditure

Opening balance as previously reported	-	69 750
Opening balance as restated	-	69 750
Add: Fruitless and Wasteful Expenditure - current period	-	-
Add: Fruitless and Wasteful Expenditure - prior period	-	-
Add: Fruitless and Wasteful Expenditure - prior period	-	-
Less: Amounts recoverable - current	-	-
Less: Amounts recoverable - prior period	-	(69 750)
Less: Amount written off - current	-	-
Less: Amount written off - prior period	-	-
Closing balance	-	-

Cases under investigation

a) Nil (2019/2020: Nil) cases 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.

2020/2021

(i) No incidences occurred in the current year.

2019/2020

(i) In respect of 1 (one) case that relates to an incident identified in the 2018/2019 financial year, after an investigation in terms of MFMA Section 32, Council resolved on 25 June 2020 that the Fruitless and Wasteful Expenditure made, be recovered. The relevant consequence management process has subsequently been concluded.

37. Irregular expenditure

Opening balance as previously reported	-	135 013
Correction of prior period error	1 486 022	-
Opening balance as restated	1 486 022	135 013
Add: Irregular Expenditure - current	-	-
Add: Irregular Expenditure - prior period	-	-
Add: Irregular Expenditure - prior period	-	-
Less: Amounts recoverable - current	-	-
Less: Amounts recoverable - prior period	-	-
Less: Amount written off - current	-	-
Less: Amount written off - prior period	(1 486 022)	(135 013)
Closing balance	-	-

Cases under investigation

a) Nil (2019/2020: 2 [two]) cases related to other non-compliance with laws, regulations, council policies and/or by-laws.

An expansion was made on a contract for an appointed consulting engineer without following the process in terms of the SCM Policy of the municipality and Section 116(3) of the MFMA. Payments were made in terms of a contract with a consulting engineer where delays in completion resulted in additional fees and where the amounts charged, exceeded the allowable fee that is based on the sub-appointed contractor's costs.

Local Government: Municipal Finance Management Act and Supply Chain Management Policy	1 486 022	-
---	-----------	---



Notes to the Financial Statements

Figures in Rand

2021

2020

37. Irregular expenditure (continued)

2020/2021

(i) In respect of 2(two) cases that relate to payments made in terms of a contract with a consulting engineer where delays in completion resulted in additional supervision, as well as the technical specialists required during the construction phase, geotechnical services and health and safety inspections and guidance as enforced by the Construction Regulations, 2014 under the Occupational Health and Safety Act, 1993 and where the amounts charged, exceeded the allowable fee that is based on the sub-appointed contractor's costs.

An investigation, subsequent to the initial investigation, concluded that -

- (a) Value for money has been received for those portions of tender (T2015/057) that have been completed partially in terms of the services and value that was delivered;
- (b) Value for money has been received for those portions of the tender (T2016/069) that have been completed (fully or partially); and
- (c) The increased fee of R195 944 (VAT inclusive) should be paid to Nadeson Consulting Services.

As at reporting date the relevant consequence management process has been concluded.

(ii) In respect of 1 (one) case that relates to an incident identified in the 2017/2018 financial year (R88 301 included in the 2018/2019 opening balance of R161 465), all consequence management processes have been concluded.

2019/2020

(ii) In respect of 1 (one) case that relates to an incident identified in the 2017/2018 financial year (R88 301 included in the 2018/2019 opening balance of R161 465) it was required that consequence management be instituted against three officials. As disclosed in the 2018/2019 financial year, Council resolved that the irregular expenditure be certified as irrecoverable and be written off. As at reporting date two of the three consequence management processes have been concluded.

b) Nil (2019/2020: Nil) 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, in 1(one) case an error was made in the application of the PPPFA Regulations.

2020/2021

(i) No incidences occurred in the current year.

(ii) No incidences occurred in the current year.

2019/2020

(i) In respect of 2 (two) cases that were uncorrected errors due to pending investigations in the 2017/2018 financial year (R135 013 included in the 2019/2020 opening balance), but that were corrected in 2018/2019, after an investigation 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 have been concluded.

(ii) In respect of 3 (three) cases that relate to incidents identified in the 2017/2018 financial year, the relevant consequence management processes have subsequently been concluded.

38. Contingencies

38.1 Contingent liabilities

(i) 2021: The status remains the same as reported on the previous year of the delictual claim for damages in the amount of R451 000 against CWDM and the Minister of Transport and Public Works by a Mr P Afrika allegedly arising from an accident in July 2008. At pre-trial conference, it was decided that the matter is to be transferred from the High Court to the Magistrate's Court. This has the effect that the potential liability of the municipality is reduced to approximately R100 000. The said process is currently pending. It is not yet practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence, the disclosure of the value is not possible.



Notes to the Financial Statements

Figures in Rand

2021

2020

38. Contingencies (continued)

(2020: The status of the delictual claim for damages in the amount of R451 000 against CWDM and the Minister of Transport and Public Works by a Mr P Afrika allegedly arising from an accident in July 2008, 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. It is not yet practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence, the disclosure of the value is not possible.)

(ii) 2021: The status of the claim, where the plaintiff included the CWDM as the second of three defendants in this matter, is the same as previously reported that the parties are currently awaiting a trial date. The insurance brokers of the municipality who are currently dealing with the matter: Mariska Cordy/ CWDM/ Stellenbosch Municipality states that that pre-trial proceeded and the matter was adjourned until 15 October 2018 to enable the parties to comply with the timetable set out in the agreed pre-trial minutes. The settlement per the summons issued amounts to R6 142 100. The settlement amount is to be paid by the insurance company on behalf of the municipality and it would be expected of the municipality to only pay the excess amount which has not been determined as yet. It is not yet practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence, the disclosure of the value is not possible.

(2020: The status of the claim remains the same as reported on in the previous year that the parties are currently awaiting a trial date. The insurance brokers of the municipality who are currently dealing with the matter: Mariska Cordy/ CWDM/ 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 CWDM 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) 2021: The status of the claim where the CWDM jointly added as a third party, remains the same as reported on in the previous year. Specifically that on 22 January 2018 a Combined Summons was issued by the High Court of South Africa under Case No 728/18 in terms of which the trustees of the Fransie Conrade Trust (the plaintiffs) instituted action against the trustees of the Thera Trust (the defendants) for the damages suffered in the amount of R2 371 525 as a result of a fire that started on the property of Thera Trust and which allegedly spread to the property of the Fransie Conradie Trust. On 18 May 2018 a Third Party Notice was served on the District Municipality, in terms of which the CWDM 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 municipality was negligent and that such negligence caused or contributed to the damages suffered by the plaintiff. The matter was reported to the municipality's insurers and a fire incident report was accordingly provided, where after a Notice of Intention to Defend was entered. The CWDM currently awaiting the matter to be set down for Pre-trial hearing and thereafter trial. In view of the aforementioned, it is clear that it is not possible at this stage to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence, the disclosure of the value is not possible.

(2020: 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 Conrade Trust (the plaintiffs) instituted action against the trustees of the Thera Trust (the defendants) for the damages suffered in the amount of R2 371 525 as a result of a fire that started on the property of Thera Trust and which allegedly spread to the property of the Fransie Conradie Trust. On 18 May 2018 a Third Party Notice was served on the District Municipality, in terms of which the CWDMs 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 CWDM currently awaiting the matter to be set down for Pre-trial hearing and thereafter Trial. 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.)



Notes to the Financial Statements

Figures in Rand

2021

2020

38. Contingencies (continued)

(iv) 2021: The status of the claim is that the District Municipality insurance settled with the plaintiff. On 15 February 2019 a Combined Summons was issued by the Magistrates Court for the District of Tulbagh under Case No 18/2019 in terms of which HR de Waal (the plaintiffs) instituted action against the CWDMr damages suffered to the amount of R24 802 as a result of a motor vehicle collision that was driven by an employee of the CWDM 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, (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. 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.

(2020: The status of the claim remains the same as reported on in the previous year. On 15 February 2019 a Combined Summons was issued by the Magistrates Court for the District of Tulbagh under Case No 18/2019 in terms of which HR de Waal (the plaintiffs) instituted action against the CWDMor damages suffered to the amount of R24 802 as a result of a motor vehicle collision that was driven a employee of the CWDM 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, (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. 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.)

(v) 2021: The status on this claim is that the matter was settled with the plaintiff. On 19 March 2020 a Combined Summons was issued by the Magistrates Court for the District of Robertson under Case No 68/20 in terms of which C Mathee (the plaintiff) instituted action against the CWDM for damages suffered to the amount of R17 855 as a result a motor vehicle collision with a pothole on 19 May 2017. The CWDM have submitted a notice to defend on 17 June 2020.

(2020: On 19 March 2020 a Combined Summons was issued by the Magistrates Court for the District of Robertson under Case No 68/20 in terms of which C Mathee (the plaintiff) instituted action against the CWDM for damages suffered to the amount of R17 855.72 as a result a motor vehicle collision with a pothole on 19 May 2017. The CWDM have submitted a notice to defend on 17 June 2020. It is not yet practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence, the disclosure of the value is not possible.)

(vi) 2021: On 1 February 2021 a summons was issued by the High Court of South Africa, Western Cape Division, under Case Number 2023/21 in terms of which the plaintiffs instituted action against the CWDM, as the sixth defendant, for damages suffered to the amount of R26 767 475. The plaintiffs claims that a veld of forest fire that happened on or about 5 February 2018 and spread onto the plaintiffs properties from a certain property situated adjacent to the plaintiffs properties. The properties are located within the jurisdiction of the CWDM. The plaintiffs claims that the District Municipality owed a general duty of care to the public to prevent the spread of a veldfire and resultant damages by acting reasonably and practically in the circumstances and furthermore to comply with the standard operating procedures in respect of veldfires occurring on days marked with a "Red" of "High - Extreme" Fire Danger Index rating. The District Municipality entered a Notice of Intention to Defend. The relief the plaintiff are seeking is as follows: (a) that the Defendants be held liable for the damages to the amount of R20 667 475, (b) that the Defendants be held liable for the damages to the amount R6 100 000, (c) interest on the aforesaid amounts at the prescribed rate a tempore morae from date of demand alternatively date of summons until date of payment in full, (d) costs of suit, (e) futher and/or alternative relief. It is not yet practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence, the disclosure of the value is not possible.

(vii) 2021: a Combined Summons was issued on 8 December 2020 by the Magistrates Court for the District of Paarl under Case No 2015/2020 in terms of which Hydrotech Design (Pty) Ltd instituted action against an employee of the CWDM as the Third Defendant. On 13 May 2020 a collision occurred between the Plaintiff's vehicle and the Defendants vehicle's. On 28 January 2021 a letter of demand was issued by the Plaintiff's attorneys on the municipality and its employee for damages suffered to the amount R16 341 and legal fees in the sum of R1 500. It is not yet practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence, the disclosure of the value is not possible.

(viii) 2021: On 28 January 2021 a letter of demand was issued to the CWDM the insurers of JH van Heerden for damages suffered to the amount of R214 380 in a motor vehicle accident on 8 January 2021. The matter was reported the District Municipality's insurers. It is not yet practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence, the disclosure of the value is not possible.



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M

Notes to the Financial Statements

Figures in Rand

2021

2020

38. Contingencies (continued)

(ix) 2021: The municipality is still waiting on the outcome of 6 public liability claims, 30 third party accident claims and 1 insurance claims that were handed over to the state attorneys and / or the municipality's insurance brokers. It is not practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence the disclosure of the value is not possible.

(2020: The municipality is still waiting on the outcome of 5 public liability claims, 26 third party accident claims and 3 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.)

38.2 Contingent assets

(i) 2021: The municipality is still awaiting the outcome of one insurance claims that was not concluded at 30 June 2021. The claims are not specific to the 2020/2021 financial year.

(2020: The municipality is still awaiting the outcome of one insurance claims that was not concluded at 30 June 2020. The claims are not specific to the 2019/2020 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.

39. Related parties

The following related parties exist:

Municipal Manager (H.F. Prins)

Chief Financial Officer (F.A. Du Raan-Groenewald)

Executive Director: Community Development and Planning Services (P. Williams)

Executive Director: Technical Services (F.A. van Eck)

Ald (Dr) H. von Schlicht (Executive Mayor)

Cllr C. Meyer (Speaker)

Cllr D. Swart (Deputy Executive Mayor)

Cllr Z.L. Masoka

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 W.M. Blom

Cllr A. Crombie

Cllr C. Damens



Notes to the Financial Statements

Figures in Rand

2021

2020

39. Related parties (continued)

Cllr P. Daniel

Cllr R. du Toit

Cllr G.J. Fredericks

Cllr X. Kalipa

Cllr J.S. Mouton

Cllr R.S. Nalumango

Cllr B.B. Ntshingila

Cllr E. Qhankqiso

Cllr S.C. Rens

Cllr L.S. Sambokwe

Ald J.W. Schuurman

Cllr A.J. Shibili

Cllr D.R.A. Snyders

Cllr C. Steyn

Cllr N. Tetena

Cllr J.J. van Rooyen

Cllr W. Vrolick

Cllr C.F. Wilskut

Cllr L.N. Qoba

Cllr D.D. Joubert

Cllr J. Smit

Cllr N.D. Sauerman

Cllr N. Bushwana

Cllr J. Kriel

Appointed 18/09/2020

Cllr T.M. Wher

Appointed 27/10/2020

Cllr P. Hess

Resigned 20/08/2020

Cllr E.S.C Matjan

Resigned 13/10/2020

The salaries and remuneration of key management and councillors are disclosed in notes 23 & 24 of the Annual Financial Statements.



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M

Notes to the Financial Statements

Figures in Rand

2021

2020

40. Change in estimate

Property, plant and equipment & Intangible assets

Redundant store assets

The prior year accounting estimates relating to the estimated useful lives of Furniture and fittings, Office equipment and Plant and equipment were evaluated during the 2020/2021 financial year and the change in the estimates were implemented on 01 July 2020. This led to a change in depreciation for the 2020/2021 from the 2019/2020 financial year. The amount of the depreciation had the change in accounting estimate not been effected, the effect of the change in accounting estimate of depreciation for 2020/2021 financial year as well as the amended depreciation are as follows:

Asset Type Description	Total of depreciation on assets for 2020/21 had no change been effected:	Total new depreciation for 2020/21 after the change was affected:	2020/2021: Difference: Increase in depreciation	Total of depreciation on assets for future years had no change been effected:	Total new depreciation for future years after the change was affected:	Future years: Difference: Decrease in depreciation
Furniture and fittings	3 270	22 842	19 572	19 572	-	(19 572)
Office Equipment	91 496	653 768	562 272	562 272	-	(562 272)
Plant and equipment	6 589	56 478	49 889	49 889	-	(49 889)
	101 355	733 088	631 733	631 733	-	(631 733)

The effect of the change in estimate led to an decrease in depreciation of Furniture and fittings of R 19 572, decrease in depreciation of Office equipment of R 562 272 and a decrease in depreciation of Plant and equipment of R 49 889 for the future financial years.

41. B-BBEE Performance

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

42. Events after the 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 15). The additional amount included in the note to other receivables from exchange transactions relating to the adjusting event amounted to R 9 614. The additional amount included in the note to provisions relating to the adjusting event amounted to R 6 440 .



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M

Notes to the Financial Statements

Figures in Rand

2021

2020

43. Reconciliation between budget and annual financial statements

43.1 Statement of Financial Performance

Service charges (Actual amount as per Statement of Comparison)	-	-
Service charges	194 644	-
Actual amount as per Statement of Financial Performance	194 644	-

Service charges was remapped from Other revenue to adhere to the requirements of GRAP.

Agency Services (Actual amount as per Statement of Comparison)	106 246 825	-
Roads Capital	213 558	-
Management Fees	9 516 335	-
Management Fees	(10 943 785)	-
Actual amount as per Statement of Financial Performance	105 032 933	-

The capital financing for Roads services was remapped from Transfers and subsidies to Roads services. Management fees was remapped to Roads services to adhere to the requirements of GRAP.

To align to the accounting treatment for the funding received from Department of Transport and Public Works with regards to the roads maintenance, the prior year naming convention for this funding source was changed from agency services to roads services. Both the prior year and current year naming convention is therefore consistent. This allows the users of the financial statements to have a clear understanding of the substance to this funding source.

Licenses and permits (Actual amount as per Statement of Comparison)	669 682	-
Licenses and permits	(669 682)	-
Actual amount as per Statement of Financial Performance	-	-

Licences and permits were remapped to Other income to adhere to the requirements of GRAP.

Transfers and subsidies (Actual amount as per Statement of Comparison)	245 866 696	-
Public Sector SETA	(252 412)	-
Roads Capital	(17 240)	-
Actual amount as per Statement of Financial Performance	245 597 044	-

LG SETA refunds was remapped from Transfers and subsidies to Other income to adhere to the requirements of GRAP. The capital financing for Roads was remapped to Roads services to adhere to the requirements of GRAP.

Other revenue (Actual amount as per Statement of Comparison)	10 005 003	-
Management fees	(9 516 335)	-
Service charges	(194 644)	-
Public Sector SETA	252 412	-
Licenses and permits	669 682	-
Actual amount as per Statement of Financial Performance	1 216 118	-

Other income was remapped to adhere to the requirements of GRAP.

Public contributions and donations (Actual amount as per Statement of Comparison)	-	-
Transfer to Public contributions and donations	17 240	-
Actual amount as per Statement of Financial Performance	17 240	-

Public contributions and donations was remapped from Transfers and subsidies to adhere to the requirements of GRAP.



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M

Notes to the Financial Statements

Figures in Rand	2021	2020
43. Reconciliation between budget and annual financial statements (continued)		
Employee related costs (Actual amount as per Statement of Comparison)	222 724 411	-
Workmen's compensation fund	976 739	-
Actual amount as per Statement of Financial Performance	223 701 150	-
Workmen's compensation fund was remapped from Other expenditure to Employee related cost to adhere to requirements of GRAP.		
Lease rentals on operating lease (Actual amount as per Statement of Comparison)	-	-
Lease rentals on operating lease	338 536	-
Actual amount as per Statement of Financial Performance	338 536	-
Lease rentals on operating lease was remapped from Other expenditure to adhere to the requirements of GRAP.		
Other materials (Actual amount as per Statement of Comparison)	28 214 566	-
Other expenditure	(28 214 566)	-
Actual amount as per Statement of Financial Performance	-	-
Other materials were remapped to General expenses to adhere to the requirements of GRAP.		
Other expenditure (Actual amount as per Statement of Comparison)	57 679 184	-
Workmen's compensation fund	(976 739)	-
Lease rentals on operating leases	(338 536)	-
Other Materials	28 214 566	-
Management fees	(10 943 785)	-
Actual amount as per Statement of Financial Performance	73 634 690	-
Workmen's compensation fund was remapped from Other expenditure to Employee related cost to adhere to the requirements of GRAP. Lease rentals on operating lease was remapped from other expenditure to adhere to the requirements of GRAP. Other Materials was remapped to General expenditure to adhere to the requirements of GRAP. Management fees was remapped from other expenditure to Roads services.		
Loss on disposal of PPE (Actual amount as per Statement of Comparison)	258 069	-
Inventory losses	(91 017)	-
Actual amount as per Statement of Financial Performance	167 052	-
Inventories losses was remapped from Loss on disposal of PPE to adhere to the requirements of GRAP.		
Inventory losses (Actual amount as per Statement of Comparison)	-	-
Inventory losses	91 017	-
Actual amount as per Statement of Financial Performance	91 017	-
Inventories losses was remapped from Loss on disposal of PPE to adhere to the requirements of GRAP.		
Transfer and subsidies: Capital (Actual amount as per Statement of Comparison)	213 558	-
Roads Capital	(213 558)	-
Actual amount as per Statement of Financial Performance	-	-
The capital financing for Roads was remapped from Transfers and subsidies to Roads services.		



Notes to the Financial Statements

Figures in Rand

2021

2020

43. Reconciliation between budget and annual financial statements (continued)

43.2 Statement of financial position

Cash and cash equivalents (Actual amount as per Statement of Comparison)	-	-
Cash on hand	20 153 639	-
Call Investments	746 000 000	-
Amount as per Statement of Financial Position	766 153 639	-

Cash on hand and Call Investment deposits were remapped to adhere to the requirements of GRAP.

Payables from exchange transactions (Actual amount as per Statement of Comparison)	12 756 939	-
Unspent conditional grants	(5 335 321)	-
Amount as per Statement of Financial Position	7 421 618	-

Unspent conditional grants was remapped to adhere to the requirements of GRAP.

Accumulated surplus (Actual amount as per Statement of Comparison)	686 791 611	-
Reserves	68 398 749	-
Amount as per Statement of Financial Position	755 190 360	-

Reserves were remapped to Accumulated surplus to adhere to the requirements of GRAP.

43.3 Cashflow statement

Employee costs (Actual amount as per Statement of Comparison)	-	-
Employee cost	207 635 422	-
Amount as per Cash flow statement	207 635 422	-

Employee cost was remapped from Suppliers and employees to adhere to the requirements of GRAP.

Remuneration to councillors (Actual amount as per Statement of Comparison)	-	-
Remuneration to councillors	12 657 183	-
Amount as per Cash flow statement	12 657 183	-

Remuneration of councillors was remapped from Suppliers and employees to adhere to the requirements of GRAP.

Transfers and grants (Actual amount as per Statement of Comparison)	(12 173 420)	-
Transfers and grants	12 173 420	-
Amount as per Cash flow statement	-	-

Transfers and grants was remapped to Suppliers to adhere to the requirements of GRAP.



Notes to the Financial Statements

Figures in Rand

2021

2020

44. 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%.

44.1 Statement of Financial Position

Assets

Current Assets

Cash

Variance as a result of the budget schedules mapping the call account as part of investments.

Call investment deposits

Variance is less than 10%, no reason required.

Inventories

Variance is less than 10%, no reason required.

Consumer debtors

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 the end of financial year.

Non-Current Assets

Property, plant and equipment

Variance is less than 10%, no reason required.

Intangible assets

During the budget process certain assets were classified as Property, plant and equipment. During the preparation of the annual financial statements it was confirmed based on the nature of the assets it need to be reclassified as Intangible assets.

Other non-current assets

The calculation that is made for the Future Medical Aid Liability, Ex Gratia Pension and Long Service Bonus is calculated by actuaries and the budget estimation is brought in line therewith. However, the revised estimation is only done at the end of the financial year.

Liabilities

Current Liabilities

Trade and other payables

The outcome of the roll-over request for grant funding only materialised in the latter part of the financial year and therefore it was impossible to complete all the work by 30 June 2021. The key transversal SCM findings in respect of the Composition of Bid Adjudication Committees [SCM Regulation 29(2)] impacted the municipality's ability to proceed in the awarding of tenders. Furthermore, 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.



Notes to the Financial Statements

Figures in Rand

2021

2020

44. Actual operating expenditure versus budgeted operating expenditure (continued)

Provisions

The calculation that is made for the Future Medical Aid Liability, Ex Gratia Pension and Long Service Bonus is calculated by actuaries and the budget estimation is brought in line therewith. However, the revised estimation is only done at year end. Furthermore, 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.

Consumer Deposits

The amount budgeted for is an opening balance and is mapped to Consumer Deposits in accordance with mSCOA.

Non-Current Liabilities

Provisions

The calculation that is made for the Future Medical Aid Liability, Ex Gratia Pension and Long Service Bonus is calculated by actuaries and the budget estimation is brought in line therewith. However, the revised estimation is only done at year end.

Net Assets

Accumulated surplus

Variance is less than 10%, no reason required.

Reserves

Variance is less than 10%, no reason required.

44.2 Statement of Financial Performance

Rental of facilities and equipment

Variance is less than 10%, no reason required.

Licences and permits

Variance is less than 10%, no reason required.

Agency Services

Variance does not exceed 10%, no reason required.

Other Revenue

Variance does not exceed 10%, no reason required.

Interest received - investment

Variance is less than 10%, no reason required.

Transfer and subsidies

Variance is less than 10%, no reason required.

Expenditure

Employee related costs

Variance is less than 10%, no reason required.



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M

Notes to the Financial Statements

Figures in Rand

2021

2020

44. Actual operating expenditure versus budgeted operating expenditure (continued)

Remuneration of councillors

Variance is less than 10%, no reason required.

Depreciation and amortisation

Variance is less than 10%, no reason required.

Debt impairment

The budget schedules do not make provision to budget separately for Debt Impairment and Bad debt written off. No debt was written off during the 2020/2021 financial year.

Contracted services

The key transversal SCM findings in respect of the Composition of Bid Adjudication Committees [SCM Regulation 29(2)], impacted the municipality's ability to proceed in the awarding of tenders.

Transfers and subsidies

The fencing subsidies could not be paid out during the 2020/2021 as the list of beneficiaries was not approved by council.

Other expenditure

Variance does not exceed 10%, no reason required.

Transfers and subsidies - capital

A large portion of the unspent amount relates to a roll over grant that was only approved in the latter part of the year. The grant is committed to partially fund a fire fighting vehicle. The key transversal SCM findings in respect of the Composition of Bid Adjudication Committees [SCM Regulation 29(2)] impacted the municipality's ability to proceed in the awarding of tenders.

44.3 Cash Flow Statement

Other Revenue

The variance relates to the Roads claim for May and June 2021 only received in the new financial year.

Grants - operating

Variance is less than 10%, no reason required.

Grants - capital

The amount relates to a roll over grant that was approved during the 2020/2021 financial year and was incorrectly included in the cash flow statement during the budget process.

Interest income

The expected interest rate was higher than anticipated during the budget process.

Suppliers and employees

Refer to reason provided above for the Statement of financial performance.

Transfer and grants

Variance is less than 10%, no reason required.



Notes to the Financial Statements

Figures in Rand

2021

2020

44. Actual operating expenditure versus budgeted operating expenditure (continued)

Capital assets

Although certain tenders were evaluated and in process of being awarded, a key transversal audit finding in respect of the composition of the Bid Adjudication Committee has led to a contentious unresolved matter impacting on the Municipality's ability to award bids. Unexpected delays as a result of non-responsive bids received and operational changes further contributed to the underachievement. Savings as a result of VAT input claimed on acquisitions also contributed to the variance. It is important to note that due to the size of the capital budget, any high value capital expenditure would have a significant impact on the overall percentage. Items that could not realise were carried forward to the next financial year and the necessary appropriation has been made on the 2021/2022 to 2023/2024 MTREF. Enhanced market research and needs analysis will be applied to ensure more accurate budget estimations.

45. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Current year subscription / fee	2 265 329	2 137 103
Amount paid - current year	(2 152 063)	(2 033 102)
Discount received 5% (2020: 5%)	(113 266)	(104 001)
	<u>-</u>	<u>-</u>

Audit fees

Current year audit fee: Auditor General of South Africa	2 308 865	3 093 930
Current year audit fee: Audit Committee	84 891	109 710
Amount paid	(2 404 120)	(3 204 088)
	<u>(10 364)</u>	<u>(448)</u>

PAYE, UIF and SDL

Current year subscription / fee	(38 229 918)	(36 447 075)
Amount paid - current year	38 229 918	36 447 075
	<u>-</u>	<u>-</u>

Pension and Medical Aid Deductions

Current year subscription / fee	(66 077 451)	(63 642 734)
Amount paid - current year	66 077 451	63 642 734
	<u>-</u>	<u>-</u>

VAT

VAT receivable	<u>1 715 323</u>	<u>1 441 403</u>
----------------	------------------	------------------

All VAT returns have been submitted by the due date throughout the year.



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M.

Notes to the Financial Statements

Figures in Rand

2021

2020

45. Additional disclosure in terms of Municipal Finance Management Act (continued)

Councillors' arrear accounts

During the financial year under review no Councillor was in arrears with the settlement of rates or services.

However, Councillor arrear accounts are in respect of the over payment of remuneration due to the upward change in the grading of Witzenberg, Drakenstein and Langeberg Municipality, the termination/resignation of councillors of Stellenbosch Municipality and positions held on a council committee of Langeberg Municipality.

30 June 2021	Outstanding less than 90 days	Outstanding more than 90 days	Total
Cllr. Z.L. Gwada	-	2 463	2 463
Cllr. S. Ross	-	4 387	4 387
Cllr. S.W. Nyamana	-	769	769
Cllr. P. Heradien (resigned 10/12/2014)	-	10 315	10 315
Cllr. C. Mcako (resigned 29/06/2016)	-	1 138	1 138
Cllr. N.S. Louw (resigned 25/07/2018)	-	3 306	3 306
	-	22 378	22 378

The Municipality in terms of Section 167(2) of the MFMA, must and has the right to, recover remuneration paid otherwise than in accordance with the framework of the Public Office-Bearers Act, 1998 from political office-bearers and may not write off any expenditure incurred by the municipality in paying or giving such remuneration.

(i) In respect of the upward grading or changes in positions held on council committees (section 79 committees) of the local municipalities within the district:

In view of the said determination, the Municipality recovered all overpayments as a result of the upward grading or changes in positions held on council committees of its local municipalities, except for the above mentioned councillors, where payment arrangements have been made or legal action instituted. The balance outstanding owed by Cllr Hess as at 30 June 2020 was recovered during the 2020/2021 financial year.

Cllrs Heradien, Ross, Gwada (deceased) and Nyamana have been handed over for legal action to be instituted and this is currently in process. The Municipality's debt collector intends to institute a claim against the estate of the late Cllr Gwada.

(ii) In respect of resignations / terminations:

The Municipality's debt collector intends to institute a claim against the estate of the late Cllr Mcako. Cllr Louw has been handed over for legal action and a payment arrangement was concluded.

30 June 2020	Outstanding less than 90 days	Outstanding more than 90 days	Total
Cllr. Z.L. Gwada	-	2 463	2 463
Cllr. S. Ross	-	4 387	4 387
Cllr. S.W. Nyamana	-	769	769
Cllr. P. Hess	-	43 047	43 047
Cllr. P. Heradien (resigned 10/12/2014)	-	10 315	10 315
Cllr. C. Mcako (resigned 29/06/2016)	-	1 138	1 138
Cllr. N.S. Louw (resigned 25/07/2018)	-	3 306	3 306
	-	65 425	65 425



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M

Notes to the Financial Statements

Figures in Rand

2021

2020

45. Additional disclosure in terms of Municipal Finance Management Act (continued)

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 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 and this is currently in progress. However, the nationwide lockdown delayed the commencement of any legal processes. In addition to the current payment arrangement made with Cllr Hess to recover the outstanding balance from each claim or allowance as it becomes due to the councillor, a further payment arrangement has subsequently been concluded.

In respect of resignations / terminations:

The nationwide lockdown delayed the legal action process against both Cllrs Mcako and Louw.

Particulars of non-compliance

2019/2020

Regulation 31 (1) (c) of the Municipal Budget and Reporting Regulations, 2009 stipulates that the mayor's quarterly report on the implementation of the budget and financial state of affairs of the municipality as required by section 52 (d) of the Act must be submitted to the National Treasury and the relevant Provincial Treasury within five days of tabling of the report to council. The Section 52 report was however submitted by the municipality within five working days, but Provincial Treasury argued that the five days refers to five calendar days. All subsequent Section 52 reports were however submitted within five calendar days after tabling of the report to council.

Disclosures by municipality on intergovernmental and other allocations

Allocations made to municipalities

Section 123 of the MFMA determines that the municipality must disclose information on any allocations made by the municipality to another municipality. The following allocations were made to local municipalities within the CWDM for projects as identified by the respective local municipality in terms of service level agreements:

Breede Valley Municipality	1 020 000	2 600 000
Drakenstein Municipality	660 000	2 894 801
Langeberg Municipality	740 000	1 431 200
Stellenbosch Municipality	540 000	2 502 667
Witzenberg Municipality	740 000	3 051 973
	3 700 000	12 480 641



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M

Notes to the Financial Statements

Figures in Rand

2021

2020

46. Segment information

General information

Identification of segments

The municipality is organised and reports to management on the basis of ten major functional areas. These segments makes up two of the three strategic objectives of the municipality.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

Reportable segment	Goods and/or services
Community development and planning services	Creating an environment and forging partnerships that ensure social and economic development of all communities, including the empowerment of the poor in the Cape Winelands District
Technical services	Promoting sustainable infrastructure services and a transport system that fosters social and economic opportunities

Segment surplus or deficit

2021

	Community development and planning services	Technical services	Non-reportable	Total
Revenue				
Revenue from exchange transactions				
Service charges	194 644	-	-	194 644
Rental of facilities and equipment	-	-	238 615	238 615
Roads services	-	95 516 597	9 516 336	105 032 933
Other income	669 682	10 985	535 451	1 216 118
Interest received- investment	-	-	38 231 810	38 231 810
Revenue from non- exchange transactions				
Transfer revenue				
Government grants & subsidies	2 143 310	3 440 279	240 013 455	245 597 044
Public contribution and donations	-	17 240	-	17 240
Total segment revenue	3 007 636	98 985 101	288 535 667	390 528 404
Total revenue				390 528 404



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M.

Notes to the Financial Statements

Figures in Rand

46. Segment information (continued)

Expenditure

Employee related cost	88 819 292	57 082 689	77 799 169	223 701 150
Remuneration of councillors	-	-	12 657 183	12 657 183
Depreciation and amortisation	4 225 256	519 055	4 494 007	9 238 318
Lease rentals on operating lease	-	-	338 536	338 536
Debt impairment	-	-	32 597	32 597
Bad debt written off	-	-	-	-
Contracted services	15 872 562	7 303 193	8 611 390	31 787 145
Transfers and subsidies	9 430 774	1 242 646	1 500 000	12 173 420
Loss on disposal of assets	16 202	16 069	134 781	167 052
Inventories losses/ write downs	-	-	91 017	91 017
General expenses	7 100 773	37 285 835	29 248 082	73 634 690
Total segment expenditure	125 464 859	103 449 487	134 906 762	363 821 108
Surplus				26 707 296

Measurement of segment surplus or deficit

Basis of accounting for transactions between reportable segments

The accounting policies of the segments are the same as those described in the summary of significant accounting policies.

Information about geographical areas

Although the municipality operates in a number of geographical areas, it is irrelevant for users of the financial statements as the municipality's geographical areas of operation can be seen as a single geographical area when deciding how to allocate resources.



Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021

Notes to the Financial Statements

Figures in Rand

2021

2020

47. Disclosures in terms of the Municipal Supply Chain Management Regulations, 2005

47.1 Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36(1)(a) and (b).

2021	Total Value (incl. VAT)	Emergency	Sole Supplier/ Agent	Impractical
July	2 614 423	-	-	16
August	335 533	-	-	3
September	327 936	-	-	2
October	250 207	-	1	5
November	91 054	-	1	1
December	53 249	-	-	3
January	162 047	-	-	7
February	27 036	-	2	6
March	52 575	-	-	4
April	2 348	-	1	-
May	1 835 793	-	-	12
June	4 318 499	-	-	5
	10 070 700	-	5	64
2020	Total Value (incl. VAT)	Emergency	Sole Supplier/ Agent	Impractical
July	191 339	-	2	7
August	2 793 915	-	3	9
September	140 425	-	6	6
October	219 879	-	3	9
November	188 966	-	1	11
December	105 509	-	-	7
January	206 393	-	3	4
February	1 746 399	2	4	7
March	2 499 328	12	-	9
April	1 080 016	7	-	3
May	442 888	6	-	4
June	560 463	1	-	9
	10 175 520	28	22	85

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M.

Notes to the Financial Statements

Figures in Rand

2021

2020

47.2 Regulation 45 - Particulars of awards of more than R2 000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months. (Amounts disclosed include VAT)

Supplier	Relationship	Name of Family Member	Name of Institution	Capacity	2021	2020
AE Human Trading (Pty) Ltd	Child	L Burger	Cape Winelands District Municipality	Enviromental Health Practitioner	-	63.400.00
	Husband	D Human	BVM	Storeman		
M & N Bakwerkwe Close Corporation	Brother/Sister	E Niemand	Cape Winelands District Municipality	Senior Administrator: Quotations & Tenders	50.336.90	43.872.46
Bergstan South Africa	Spouse	J Beukes	Social Development	Social Worker	33.250.01	-
JPCE (Pty) Ltd	Spouse	JA Minnie	City of Cape Town	Safety and Security Directorate	623.944.00	-
America Busdiens	Child	V Africa	Cape Winelands District Municipality	Workshop Assisitant-Robertson	-	15.900.00
NCC Environmental Services Proprietary Limited	Spouse	C Rhoda	City of Cape Town	Manager	598.916.55	795.915.01
Masiqhame Trading 77 Close Corporation	Child	B Qxilishe	Department of Agriculture	Snr Admin officer: Dept of Agriculture, Forestry & Fisheries	62.401.95	117.647.05
	Child	S Qxilishe	Western Cape Education Department	Teacher at Du Noon		
TSCH International Holdings (Pty) Ltd	Spouse	RE Hlongwane	City of Cape Town	Manager	33.300.00	-
LJ Projects and Events	Spouse	L Jafta	Department of Water and Sanitation	IT Clerk	200.000.00	-
J Walters t/a J C Travel	Spouse	C Walters	Department of Education	Secretary at School	-	10.500.00

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M

Notes to the Financial Statements

Figures in Rand					2021	2020
Piston Power Chemicals Close Corporation	Spouse	N Andhee	Department of Education	Teacher	26.519.81	250.572.32
Robertson Shell Trust	Spouse	D B Augustyn	Department of Education	Teacher at Dagbreek Primary	-	54.637.86
Temmo's Shade Ports and Cleaning Services	Sister	T Lebesana	Transnet Port Terminals	Security	17.600.00	-
Sms ICT Choice Proprietary Limited	Spouse	N Maqula	Department of Human Settlements	Director	-	167.525.10
Ajee Consultancy Close Corporation	Spouse	J Williams	SAPS	Captain	-	10.000.00
Jah Guide Agriculture Proprietary Limited	Spouse	G Davids	SAPS	Sergeant	1.214.897.93	649.103.56
Nareng Trading (Pty) Ltd	Spouse	M Lebaea	Department of Correctional Services	Security	-	16.065.00
Cook Funerals (Pty) Ltd	Child	C Cook	City of Cape Town	Director	-	14.250.00
Ladybugs Innovative Marketing (Pty) Ltd	Spouse	RA Levendal	Department of Correctional Services	Environmental Health Practitioner	41.318.35	106.500.35
Zutari (Pty) Ltd, previously Aurecon	Spouse	Ahischlager, HC	Special investigating Unit	Legal Representative		
	Parent	Barry, CJ	City of cape Town	Head: Finance		
	Parent	KA Bleazard	Western Cape Government Transport & Public Works	Chief Architect		
	Parent	Botha, T	Oudtshoorn Municipality	Technical Manager		
	Spouse	Erasmus, WZ	Cape Nature	Program Manager		
	Parent	Esterhuysen, HG	West coast District Municipality	Senior Manager - Roads		
	Son	Geldenhuis, N	Transnet Port Terminals	Mechatronic Engineer		
	Sister	Goga, Y Dr	Nkosi Albert Luthuli Hospital	Senior Specialist - Paediatric Haematology		
	Daughter	Govender, T	Umgeni Water/Asset Management	Fleet Maintenance Administrator		
Parent	Grobbelaar, SM	Northern Cape Department of cooperative Governance	Town and Regional Planner			

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M

Notes to the Financial Statements

Figures in Rand

				2021	2020
	Brother	Herholdt, E	Limpopo Department of Economic Development Environment & Tourism	280.954.52	702.386.30
	Parent	Heyns, A	Stellenbosch Municipality		
	Spouse	Higgs, JH	SARS		
	Spouse	Hougaard, A	Department of Correctional Services		
	Spouse	Jacobs, J	Eastern Cape Department of Education		
	Parent	Kleynhans, B	Hessequa Municipality		
	Parent	Kriegler, BJ Cr	CWDM & Breede Valley Municipality		
	Spouse	Marques, M	Department of Home Affairs		
	Uncle	Mayekiso, D	Department of Local Government and Traditional Affairs		
	Employee	Mayekiso, M	Buffalo City Metropolitan Municipality		
	Parent	Mehlala, RT	Eastern Cape Arts and Culture Council		
	Parent	Moore, AJ	Department of Water Affairs		
	Spouse	Nadasen K	National Department of Public Works		
	Spouse	Ntsebeza, D	Buffalo City Metropolitan Municipality		
	Cousin	Ntsebeza, M	Intsika Yethu Municipality		
	Parent	Ntsebeza, NH	Eastern Cape Department of Health		
	Spouse	O'Connell, SM	Sol Plaatje Municipality		

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M.

Notes to the Financial Statements

Figures in Rand

2021

2020

	Spouse	PW Pansegrouw	Drakentein Municipality	Senior Manager - Technical Services and Project Management		
	Parent	Pretorius, PS	Sol Plaatje Municipality	Chief Officer - Community Services		
	Spouse	R Reddy-Maduray	Development Bank SA	Project Preparation Specialist		
	Spouse	Riekert, JH	SA Reserve Bank	Engineering		
	Parent	Robertson, JM	Ekurhuleni Metropolitan Municipality	Roads Engineer		
	Sister	Seegers, S	City of Cape Town	Head of Security Architecture		
	Wife	Skead, M Dr	Nelson Mandela Bay Metropolitan University	Senior Manager – Staff Development		
	Parent	Tebane, R	Ekurhuleni Metropolitan Municipality	Executive Manager		
	Spouse	Theron, J	Nelson Mandela Metropolitan University Business School	Head: Graduate School Relations		
	Spouse	Tredoux, J	Department of Water Affairs	Deputy Director - Accounts Payable		
	Father-in-Law	Van Rensburg, M	Eskom	Executive at Transmission Department		
	Father	Van Taak, AN	Stellenbosch Municipality	Director - Water and Sewerage		
	Spouse	Venter, ZC	Eastern Cape Department of Health	Deputy Director - Employment Relations		
	Parent	Vermeulen, PC	City of Cape Town	Superintendent- Building Maintenance		

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M

Notes to the Financial Statements

Figures in Rand					2021	2020
	Parent	Wilkins, J	Correctional Services	Vice Director - Provincial		
	Spouse	Wolmarans, NS	IDC	Senior Accounts Manager		
Gibb Proprietary Limited	Brother	David Moffett	Department of Rural Development and Land Reform	Director: Spatial Planning & Land Use Management		
	Spouse	Alan Moon	City of Cape Town	Head: Business Continuity		
	Brother-in-law	John Watson	National Treasury - Office of Accountant General	Director - Accounting Support and Reporting		
	Spouse	Sonnika Cilliers	Department of Education	Teacher		
	Aunt	Fawzia Peer	Ethekewini Municipality	Deputy Mayor, Chair of Finance and Procurement		
	Spouse	Nokuthula Mkhize	National Department of Water Affairs and Forestry	Accounting Clerk		
	Mother	Irma Brink	Department of Education — Free State	Teacher		
	Spouse	Nkosinathi Mzayiya	Department of Correctional Services	Correctional Officer		
	Spouse	Jacqueline Gooch	Department of Transport and Public Works	Head of Department		
	Spouse	Unathi Lekonyana	Department of National Treasury	Deputy Director - Grant Monitoring and Analysis		
	Parent	Douglas Kiewiet	Department of Water Affairs and Forestry	Area Manager (North)		
	Spouse	Rajiv Beharie	Eskom	Senior Engineer		

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M.

Notes to the Financial Statements

Figures in Rand

				2021	2020
Brother	Funanani Freeman Phidza	Economic Development	Director ICT		
Brother	Rendani Phidza	Sports and Recreation	Senior Control Officer		
Sister	Nokuzola Mandla	Eastern Cape Department of Human Settlements	Control Works Inspector		
Spouse	Conrad Hering	Department of Transport and Public Works	Electrical Engineer		
Sister-in-law	Dolencia Davids	City of Cape Town	Admin Officer		
Brother-in-law	Hilton Davids	City of Cape Town	Admin Officer		
Mother	Sandra Singh	Department of Education	Human Resource Officer		
Brother	Ian Bowker	Department of Asset Management and Maintenance in Transport	Head of Department	-	1.114.350.00
Spouse	Dianne Alderman	Eastern Cape Department of Education	Teacher		
Aunt	F Strampe	SAPS	Chief Accounting Clerk		
Spouse	Thando Gqobo	Ethekwini Municipality	Civil Engineering Technician		
Husband	Donovan O'Reilly	SAPS	Warrant Officer		
Spouse	Siyamthanda Jafta	Eastern Cape Department of Transport	Assistant Manager - Asset Management		

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

30 November 2021 L.M

Notes to the Financial Statements

Figures in Rand

					2021	2020
	Spouse	Vuyokazi Sicwebu	Ndlambe Municipality	PMU Manager		
	Spouse	Liezel Sophia Cloete	Department of Higher Education and Training	Lecturer		
	Cousin	Phumlani Ngcamu	Ethekwini Municipality	Senior Civil Technician		
	Spouse	Londani Mkhumbuzi	KwaDukuza Municipality	Senior Rates Clerk		
	Sister	Yvette Joubert	Western Cape Education Department	Teacher		
	Brother	Heinrich Rudiger Jaskolka	Department of Justice	Magistrate		
	Sister	Gerda Yvette Magnus	Department of Higher Education and Training	Acting Deputy Director General		
	Sister	Thendo Phidza	Eskom Rotek Industries	Junior Service Engineer		
	Brother-in-law	Herbert Humbulani Netshikweta	Depart of Minerals Resource	Senior Inspector		
	Sister-in-law	Teboho Victoria Kabi	Eskom Generation	Senior Technician		
	Spouse	K Naidoo	Gauteng Department of Education	Head of Department Mathematics		
	Brother	M B Haq	City Engineers	Architect/Town Planner		
					3.183.440.02	4.132.625.01

ANNEXURE A

DC2 Cape Winelands DM - Reconciliation of Table A1 Budget Summary

Description	2020/21								2019/20			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
R thousands												
Financial Performance												
Property rates	-	-	-	-		-	-	-				-
Service charges	-	-	-	-		-	-	-				-
Investment revenue	56 000	(21 000)	35 000	38 232		3 232	109,2%	68,3%				-
Transfers recognised - operational	248 405	1 856	250 261	245 614		(4 647)	98,1%	98,9%				-
Other own revenue	129 770	(266)	129 504	106 682		(22 821)	82,4%	82,2%				-
Total Revenue (excluding capital transfers and contributions)	434 175	(19 410)	414 765	390 528		(24 236)	94,2%	89,9%				-
Employee costs	233 421	(2 521)	230 901	223 701	-	(7 199)	96,9%	95,8%	-	-	-	-
Remuneration of councillors	13 941	(960)	12 981	12 657	-	(324)	97,5%	90,8%	-	-	-	-
Debt impairment	750	(217)	533	33	-	(500)	6,1%	4,3%	-	-	-	-
Depreciation & asset impairment	11 955	(2 366)	9 589	9 238	-	(351)	96,3%	77,3%	-	-	-	-
Finance charges	-	-	-	-	-	-	-	-	-	-	-	-
Materials and bulk purchases	25 018	5 490	30 508	28 215	-	(2 294)	92,5%	112,8%	-	-	-	-
Transfers and grants	13 096	1 906	15 002	12 173	-	(2 828)	81,1%	93,0%	-	-	-	-
Other expenditure	139 440	(22 862)	116 578	77 804	-	(38 774)	66,7%	55,8%	-	-	-	-
Total Expenditure	437 622	(21 530)	416 091	363 821	-	(52 270)	87,4%	83,1%	-	-	-	-
Surplus/(Deficit)	(3 447)	2 120	(1 327)	26 707		28 034	-2013,4%	-774,8%				
Transfers recognised - capital	1 733	(407)	1 327	-	-	(1 327)	-	-	-	-	-	-
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(1 714)	1 714	-	26 707		26 707	#DIV/0!	-1558,3%				
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(1 714)	1 714	-	26 707		26 707	#DIV/0!	-1558,3%				
Capital expenditure & funds sources												
Capital expenditure												
Transfers recognised - capital	1 733	(407)	1 327	214		(1 113)	16,1%	12,3%				-
Public contributions & donations	-	-	-	-		-	-	-				-
Borrowing	-	-	-	-		-	-	-				-
Internally generated funds	28 158	(20 911)	7 247	5 309		(1 938)	73,3%	18,9%				-
Total sources of capital funds	29 891	(21 318)	8 573	5 523		(3 050)	64,4%	18,5%				-
Cash flows												
Net cash from (used) operating	28 953	(2 272)	26 680	54 683		28 003	205,0%	188,9%				-
Net cash from (used) investing	(29 891)	21 318	(8 573)	(5 523)		3 050	64,4%	18,5%				-
Net cash from (used) financing	-	-	-	-		-	-	-				-
Cash/cash equivalents at the year end	655 352	79 748	735 100	766 154		31 054	104,2%	116,9%				-

DC2 Cape Winelands DM - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Description	2020/21								2019/20			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Revenue - Standard												
<i>Governance and administration</i>	307 381	(20 998)	286 382	288 284		1 902	100,7%	93,8%				-
Executive and council	69 611	(21 490)	48 121	50 469		2 348	104,9%	72,5%				
Budget and treasury office	237 080	404	237 484	237 434		(49)	100,0%	100,1%				
Corporate services	690	88	778	381		(397)	49,0%	55,2%				
<i>Community and public safety</i>	2 625	1 801	4 426	3 008		(1 418)	68,0%	114,6%				-
Community and social services	2 175	432	2 607	2 143		(464)	82,2%	98,5%				
Sport and recreation	-	-	-	-		-	-	-				
Public safety	200	966	1 166	195		(971)	16,7%	97,3%				
Housing	-	-	-	-		-	-	-				
Health	250	403	653	670		17	102,6%	267,9%				
<i>Economic and environmental services</i>	125 852	(569)	125 283	110 180		(15 103)	87,9%	87,5%				-
Planning and development	5 564	126	5 690	2 756		(2 934)	48,4%	49,5%				
Road transport	120 288	(695)	119 593	107 424		(12 168)	89,8%	89,3%				
Environmental protection	-	-	-	-		-	-	-				
<i>Trading services</i>	-	-	-	-		-	-	-				-
Electricity	-	-	-	-		-	-	-				
Water	-	-	-	-		-	-	-				
Waste water management	-	-	-	-		-	-	-				
Waste management	-	-	-	-		-	-	-				
<i>Other</i>	50	(50)	-	-		-	-	-				-
Total Revenue - Standard	435 908	(19 817)	416 091	401 472		(14 619)	96,5%	92,1%				-
Expenditure - Standard												
<i>Governance and administration</i>	144 375	(17 690)	126 686	128 874	2 188	2 188	101,7%	89,3%				-
Executive and council	45 751	(7 527)	38 224	48 399	10 175	10 175	126,6%	105,8%				
Budget and treasury office	25 953	963	26 916	24 141	(2 775)	(2 775)	89,7%	93,0%				
Corporate services	72 671	(11 126)	61 546	56 334	(5 211)	(5 211)	91,5%	77,5%				
<i>Community and public safety</i>	122 343	3 074	125 417	109 639	(15 778)	(15 778)	87,4%	89,6%				-
Community and social services	19 680	(1 605)	18 075	15 902	(2 173)	(2 173)	88,0%	80,8%				
Sport and recreation	-	-	-	-	-	-	-	-				
Public safety	60 457	6 083	66 540	57 315	(9 225)	(9 225)	86,1%	94,8%				
Housing	-	-	-	-	-	-	-	-				
Health	42 206	(1 404)	40 802	36 423	(4 379)	(4 379)	89,3%	86,3%				
<i>Economic and environmental services</i>	161 596	(5 434)	156 162	130 906	(25 256)	(25 256)	83,8%	81,0%				-
Planning and development	33 013	(1 345)	31 668	25 428	(6 240)	(6 240)	80,3%	77,0%				
Road transport	128 583	(4 089)	124 495	105 478	(19 017)	(19 017)	84,7%	82,0%				
Environmental protection	-	-	-	-	-	-	-	-				
<i>Trading services</i>	-	-	-	-	-	-	-	-				-
Electricity	-	-	-	-	-	-	-	-				
Water	-	-	-	-	-	-	-	-				
Waste water management	-	-	-	-	-	-	-	-				
Waste management	-	-	-	-	-	-	-	-				
<i>Other</i>	9 308	(1 481)	7 826	5 345	(2 481)	(2 481)	68,3%	57,4%				-
Total Expenditure - Standard	437 622	(21 530)	416 091	374 765	(41 326)	(41 326)	90,1%	85,6%				-
Surplus/(Deficit) for the year	(1 714)	1 714	-	26 707	26 707	26 707	#DIV/0!	-1558,3%				-

DC2 Cape Winelands DM - Reconciliation of Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2020/21								2019/20			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Revenue by Vote												
Vote 1 - REGIONAL DEVELOPMENT AND PLAN	50	(50)	-	-		-	-	-				
Vote 2 - COMM AND DEV	2 550	1 698	4 248	2 999		(1 249)	70,6%	117,6%				
Vote 3 - ENGINEERING	6 464	1 001	7 466	3 709		(3 757)	49,7%	57,4%				
Vote 4 - RURAL AND SOCIAL	75	103	178	9		(169)	4,9%	11,7%				
Vote 5 - OFFICE OF THE MM	-	-	-	-		-	-	-				
Vote 6 - FINANCIAL SERVICES	237 080	404	237 484	237 434		(49)	100,0%	100,1%				
Vote 7 - CORPORATE SERVICES	70 301	(21 402)	48 898	50 850		1 951	104,0%	72,3%				
Vote 8 - ROADS AGENCY	119 388	(1 571)	117 817	106 471		(11 346)	90,4%	89,2%				
Vote 9 - TASK	-	-	-	-		-	-	-				
Vote 10 - HEALTH AGENCY	-	-	-	-		-	-	-				
Vote 11 - CORPORATE SERVICES	-	-	-	-		-	-	-				
Example 12 - Vote12	-	-	-	-		-	-	-				
Example 13 - Vote13	-	-	-	-		-	-	-				
Example 14 - Vote14	-	-	-	-		-	-	-				
Example 15 - Vote15	-	-	-	-		-	-	-				
Total Revenue by Vote	435 908	(19 817)	416 091	401 472		(14 619)	96,5%	92,1%				-
Expenditure by Vote to be appropriated												
Vote 1 - REGIONAL DEVELOPMENT AND PLAN	21 870	(2 803)	19 068	15 826		(3 242)	83,0%	72,4%				
Vote 2 - COMM AND DEV	110 016	5 968	115 984	101 220		(14 764)	87,3%	92,0%				
Vote 3 - ENGINEERING	47 744	(7 064)	40 680	32 002		(8 677)	78,7%	67,0%				
Vote 4 - RURAL AND SOCIAL	12 327	(2 894)	9 433	8 420		(1 013)	89,3%	68,3%				
Vote 5 - OFFICE OF THE MM	15 474	(1 240)	14 233	12 787		(1 446)	89,8%	82,6%				
Vote 6 - FINANCIAL SERVICES	25 953	963	26 916	24 141		(2 775)	89,7%	93,0%				
Vote 7 - CORPORATE SERVICES	77 331	(13 164)	64 167	71 656		7 489	111,7%	92,7%				
Vote 8 - ROADS AGENCY	119 464	(80)	119 384	102 801		(16 583)	86,1%	86,1%				
Vote 9 - TASK	-	-	-	-		-	-	-				
Vote 10 - HEALTH AGENCY	-	-	-	-		-	-	-				
Vote 11 - CORPORATE SERVICES	7 444	(1 218)	6 226	5 912		(314)	95,0%	79,4%				
Example 12 - Vote12	-	-	-	-		-	-	-				
Example 13 - Vote13	-	-	-	-		-	-	-				
Example 14 - Vote14	-	-	-	-		-	-	-				
Example 15 - Vote15	-	-	-	-		-	-	-				
Total Expenditure by Vote	437 622	(21 530)	416 091	374 765	-	(41 326)	90,1%	85,6%	-	-	-	-
Surplus/(Deficit) for the year	(1 714)	1 714	-	26 707		26 707	#DIV/0!	-1558,3%				

DC2 Cape Winelands DM - Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2020/21								2019/20			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Revenue By Source												
Property rates	-	-	-	-		-	-	-				
Property rates - penalties & collection charges	-	-	-	-		-	-	-				
Service charges - electricity revenue	-	-	-	-		-	-	-				
Service charges - water revenue	-	-	-	-		-	-	-				
Service charges - sanitation revenue	-	-	-	-		-	-	-				
Service charges - refuse revenue	-	-	-	-		-	-	-				
Service charges - other	-	-	-	-		-	-	-				
Rental of facilities and equipment	131	109	240	239		(1)	99,4%	182,1%				
Interest earned - external investments	56 000	(21 000)	35 000	38 232		3 232	109,2%	68,3%				
Interest earned - outstanding debtors	-	-	-	-		-	-	-				
Dividends received	-	-	-	-		-	-	-				
Fines	-	-	-	-		-	-	-				
Licences and permits	250	403	653	670		17	102,6%	267,9%				
Agency services	117 505	-	117 505	105 033		(12 472)	89,4%	89,4%				
Transfers recognised - operational	248 405	1 856	250 261	245 614		(4 647)	98,1%	98,9%				
Other revenue	11 884	(778)	11 106	741		(10 365)	6,7%	6,2%				
Gains on disposal of PPE	-	-	-	-		-	-	-				
Total Revenue (excluding capital transfers and contributions)	434 175	(19 410)	414 765	390 528		(24 236)	94,2%	89,9%				
Expenditure By Type												
Employee related costs	233 421	(2 521)	230 901	223 701		(7 199)	96,9%	95,8%				
Remuneration of councillors	13 941	(960)	12 981	12 657		(324)	97,5%	90,8%				
Debt impairment	750	(217)	533	33		(500)	6,1%	4,3%				
Depreciation & asset impairment	11 955	(2 366)	9 589	9 238		(351)	96,3%	77,3%				
Finance charges	-	-	-	-		-	-	-				
Bulk purchases	-	-	-	-		-	-	-				
Other materials	25 018	5 490	30 508	28 215		(2 294)	92,5%	112,8%				
Contracted services	58 039	(5 718)	52 321	31 787		(20 534)	60,8%	54,8%				
Transfers and grants	13 096	1 906	15 002	12 173		(2 828)	81,1%	93,0%				
Other expenditure	81 381	(17 310)	64 070	45 850		(18 221)	71,6%	56,3%				
Loss on disposal of PPE	20	167	187	167		(20)	89,2%	835,3%				
Total Expenditure	437 622	(21 530)	416 091	363 821	-	(52 270)	87,4%	83,1%	-	-	-	-
Surplus/(Deficit)	(3 447)	2 120	(1 327)	26 707		28 034	-2013,4%	-774,8%				
Transfers recognised - capital	1 733	(407)	1 327	-		(1 327)	-	-				
Contributions recognised - capital	-	-	-	-		-	-	-				
Contributed assets	-	-	-	-		-	-	-				
Surplus/(Deficit) after capital transfers & contributions	(1 714)	1 714	-	26 707		26 707	#DIV/0!	-1558,3%				
Taxation	-	-	-	-		-	-	-				
Surplus/(Deficit) after taxation	(1 714)	1 714	-	26 707		26 707	#DIV/0!	-1558,3%				
Attributable to minorities	-	-	-	-		-	-	-				
Surplus/(Deficit) attributable to municipality	(1 714)	1 714	-	26 707		26 707	#DIV/0!	-1558,3%				
Share of surplus/ (deficit) of associate	-	-	-	-		-	-	-				
Surplus/(Deficit) for the year	(1 714)	1 714	-	26 707		26 707	#DIV/0!	-1558,3%				

DC2 Cape Winelands DM - Reconciliation of Table A7 Budgeted Cash Flows

Description	2020/21							2019/20
	Original Budget	Budget Adjustments (i.t.o. s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Ratepayers and other	129 770	(266)	129 504	104 736	(24 768)	80,9%	80,7%	
Government - operating	250 138	3 279	253 417	245 614	(7 803)	96,9%	98,2%	
Government - capital	-	1 046	1 046	-	(1 046)	-	-	
Interest	56 000	(21 000)	35 000	44 276	9 276	126,5%	79,1%	
Dividends	-	-	-	-	-	-	-	
Payments								
Suppliers and employees	(396 139)	16 869	(379 271)	(327 769)	51 502	86,4%	82,7%	
Finance charges	-	-	-	-	-	-	-	
Transfers and Grants	(10 816)	(2 200)	(13 016)	(12 173)	843	93,5%	112,6%	
NET CASH FROM/(USED) OPERATING ACTIVITIES	28 953	(2 272)	26 680	54 683	28 003	205,0%	188,9%	-
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	-	-	-	-	-	-	-	
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	
Payments								
Capital assets	(29 891)	21 318	(8 573)	(5 523)	3 050	64,4%	18,5%	
NET CASH FROM/(USED) INVESTING ACTIVITIES	(29 891)	21 318	(8 573)	(5 523)	3 050	64,4%	18,5%	-
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	-	-	-	-	-	-	-	
Borrowing long term/refinancing	-	-	-	-	-	-	-	
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	
Payments								
Repayment of borrowing	-	-	-	-	-	-	-	
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD	(938)	19 046	18 107	49 161				-
Cash/cash equivalents at the year begin:	656 290	60 702	716 993	716 993				
Cash/cash equivalents at the year end:	655 352	79 748	735 100	766 154	31 054	104,2%	116,9%	

ANNEXURE B

DISCLOSURE OF BENEFITS IN TERMS OF THE LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT 32 of 2000

In terms of **Schedule 1. 5(2)** A councillor who, or whose spouse, partner, business associate or close family member, acquired or stands to acquire any direct benefit from a contract concluded with the municipality, must disclose full particulars of the benefit of which the councillor is aware at the first meeting of the municipal council at which it is possible for the councillor to make the disclosure; and

In terms of **Schedule 2. 5(1)** A staff member of a municipality who, or whose spouse, partner, business associate or close family member, acquired or stands to acquire any direct benefit from a contract concluded with the municipality, must disclose in writing full particulars of the benefit to the council.

BENEFICIARY	RELATIONSHIP	DETAIL (INDIRECT RELATION)	THIRD PARTY CONNECTION	2021	2020
Johan Carinus Familie Trust	Close family member	CLR. GJ Carinus	Johan George Carinus	36 000	-
				36 000	-

Necessary internal controls are implemented to consider the possibility, and to assess the likelihood, that a relationship between key management and councillors of the Municipality and related parties of suppliers with whom the Municipality does business with, would be able to influence a contract concluded by the Municipality in their mutual dealings, as envisaged in Schedules 1 par.5(2) and 2 par.5.1 of the Municipal Systems Act.

CHAPTER 8 – AUDIT COMMITTEE REPORT

*Cape Winelands
District Municipality*

*Audit and Performance
Committee:*

ANNUAL REPORT

**For the financial year
ended 30 June 2021**



Contents

1. INTRODUCTION	1
2. AUDIT COMMITTEE RESPONSIBILITY	2
3. REPORT ON THE OPERATIONS OF THE AUDIT COMMITTEE	2
3.1 EVALUATION OF THE FINANCIAL STATEMENTS	2
3.2 ANNUAL REPORT	3
3.3 EFFECTIVENESS OF THE INTERNAL AUDIT UNIT	3
3.4 PERFORMANCE MANAGEMENT	4
3.5 RISK MANAGEMENT	4
3.6 INTERNAL CONTROL	5
3.7 EFFECTIVENESS OF GOVERNANCE	5
3.8 IT GOVERNANCE	5
3.9 COMBINED ASSURANCE FRAMEWORK	5
4. AUDITOR-GENERAL	6

REPORT BY THE CHAIRPERSON OF THE CWDM AUDIT AND PERFORMANCE COMMITTEE (THE COMMITTEE) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021.

1. INTRODUCTION

We are pleased to present our Annual Audit and Performance Committee Report for the financial year ended 30 June 2021.

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 Audit and Performance Committee meets at least four times per annum as per the Committee terms of reference.

The committee has held 6 (six) meetings during the financial year under review.

Dates of Audit and Performance Committee meetings:

- 12 October 2020 Quarter meeting plus discussing the AFS
- 20 November 2020 Special with AG
- 29 January 2021
- 20 February 2021 Special with AG
- 17 May 2021
- 30 July 2021

The Audit and Performance Committee consists of:

Name of Member	Meetings attended	Comments
Ms R Gani (Chairperson) - external	4 out of 4	Term ended on 31 March 2021
Advocate Mdludlu - external	4 out of 4	Term ended on 31 March 2021
Ms M Loubser (Chairperson) - external	6 out of 6	Appointed as chairperson and served as chairperson from 01 April 2021
Mr M Grobler - external	6 out of 6	Attended from 01 April 2021
Mr P Le Roux - external	2 out of 2	Attended from 01 April 2021
Mr O Valley - external	2 out of 2	Attended from 01 April 2021

Other regular attendees were the following:

- Municipal Manager,
- Chief Financial Officer,
- Executive Director: Community Development and Planning Services
- Executive Director: Technical Services
- Director IDP, Performance and Risk Management
- Chief Audit Executive,
- Deputy Director ICT,
- Deputy Director Performance and Risk Management
- Western Cape Government Auditor General Representatives

2. AUDIT COMMITTEE RESPONSIBILITY

The Audit and Performance Committee has adopted appropriate formal terms of reference as its Audit Committee Charter and has regulated its affairs in compliance with this Charter.

The Charter is regularly updated and complies with principles of good governance and with the requirements of the Municipal Finance Management Act 53 of 2003.

In the conduct of its duties, the Audit and Performance Committee has performed the following activities:

- The quality and integrity of the financial reporting process,
- The system of internal control,
- The organisation's process for monitoring compliance with laws and regulations and code of conduct,
- Internal and External Audit functions,
- Performance Management,
- The risk management and governance process.
- 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.

3. REPORT ON THE OPERATIONS OF THE AUDIT COMMITTEE

During the financial year ended 30 June 2021, the Audit and Performance Committee convened six 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 EVALUATION OF THE FINANCIAL STATEMENTS

The external audit was conducted by the Auditor-General. The Auditor-General presented its Audit Strategy and Scope during the special meeting in November 2020.

The Audit Committee has reviewed:

- The draft annual financial statements,
- The appropriateness of accounting policies and practices,
- Significant adjustment resulting from the audit.

The draft annual financial statements for the year ended 30 June 2021 were reviewed and scrutinized in detail and the Audit and Performance Committee gave input on 28 August 2021.

3.2 ANNUAL REPORT

In addition to the annual financial statements, the draft Annual Report for the year ended 30 June 2021 were sent to the Audit and Performance Committee for review on 28 August 2021 and to submit any comment.

The 2020/21 draft Annual Performance Report was submitted to the Audit and Performance Committee for review on 28 August 2021.

The Annual Report for 2019/2020 demonstrates the municipality's ability to report on all aspects of performance for the 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 2021/2022 financial year and verified that it addressed the full spectrum of risk that was identified during the risk assessment that was completed in May 2021.
- Evaluated the independence, effectiveness, and performance of the internal audit function and that the internal audit function has the necessary resources, standing and authority in the 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 ten audit reports;
 - Supply Chain Management
 - Governance review
 - DORA review
 - MFMA Compliance review
 - Asset Management
 - LED and Social Development process
 - OHASA review
 - ICT
 - Annual Stock take for Auditor-General
 - Risk Management
- The planned audits for 2020/2021 were completed
- In this regard the Audit and Performance Committee wishes to express its appreciation to the internal audit unit.

The vacant Internal Auditor post was filled from 1 December 2020.

The Intern contract was extended to 28 February 2022.

3.4 PERFORMANCE MANAGEMENT

The Audit and Performance Committee has reviewed the quarterly SDBIP reports for 2020/2021 which were submitted to the Committee as part of the quarterly report.

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 first quarter performance management audits was done by Ernst and Young and the report was submitted to the Committee.
- The second and third quarter performance management audits were done by the Cape Winelands District Municipality's internal audit function and the reports were submitted to the Committee.
- In total, three 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 risk and fraud policy prior to submission for approval to Council.
- Reviewed the 2020/2021 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.

Quarterly oversight reviews of the management reports (Section 52) tabled by the finance department and presented by the CFO. The accuracy, completeness and timeliness of these reports indicated no deficiency in capacity, resources or controls within the finance department.

From the various reports of the internal audit unit, the report on the annual financial statements by the Auditor-General and the Auditor-General's management report, it was noted that no matters were reported that indicated any material deficiencies in the system of internal 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.

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 2021/2022 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 would like to thank the Municipality for the cooperation and dedication shown during a challenging and unprecedented year.

The Audit and Performance Committee hereby congratulates the Council on their 8th clean audit.



Chairperson: Audit and Performance Committee

25 November 2021

CHAPTER 9 – OVERSIGHT REPORT AND COUNCIL APPROVAL



CAPE WINELANDS DISTRICT
MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

MPAC/OVERSIGHT

REPORT

2020/21

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 2020/2021 financial year.

2. BACKGROUND

The 2020/21 Draft Annual Report was tabled in Council on 27 January 2022, reporting on the Cape Winelands District Municipality's performance for the period from 01 July 2020 until 30 June 2021. The aforementioned report was set out for public comment from 27 January 2022.

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 2022.

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 2022.

The process for the finalisation and approval of the 2020/2021 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 2021
Receipt of final audit report from Auditor-General	MFMA Section 126(3)(b)	30 November 2021
Tabling of Draft Annual Report in Council by Executive Mayor	MFMA Section 127(2)	27 January 2022
Allowing for comment (written submission) by the community and relevant state organs	MFMA Section 127(5)(a) & (b)	25 February 2022
Allowing verbal comment and oversight on annual report by the Oversight Committee	MFMA Section 130 (5)(a) & (b)	24 March 2022
Consideration and adoption of Annual Report and Oversight Report by Council	MFMA Section 129(1)	24 March 2022
Submission of Annual Report and Oversight Report to AG, Provincial Treasury and MEC: Local Government	MFMA Section 129(2)(b)	31 March 2022
Communication of final Annual Report / Oversight Report (Website, hard copies and other mediums)	MFMA Section 129(3)	31 March 2022

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.	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

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 2020/21 Draft Annual Report on 27 January 2022, in line with Section 127(5) of the MFMA, Cape Winelands District Municipality (CWDM) allowed for public comments regarding the 2020/21 Draft Annual Report from 27 January 2022 until 25 February 2022.

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 27 January 2022 where the Annual Report was tabled. Furthermore the Accounting Officer (Municipal Manager) attended the MPAC meeting on 15 March 2022 where the Oversight Report was discussed for recommendation to Council.

5. KEY COMMENTS AND RESPONSES

Circular 32 of the National Treasury recommends that the summary of key issues raised by the community, Auditor-General and other spheres of government, be detailed in the Oversight Report. In addition, the Circular proposed that responses to questions raised in written representations be captured in the Oversight Report. This section summarises the key questions and comments from the Auditor-General, the District Municipality's Audit Committee, the Council, as well as the responses by the District Municipality's Executive Management. Refer to **Annexures A-D**.

6. LEGAL AND CONSTITUTIONAL IMPLICATIONS

The 2020/21 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 2020/21 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 2020/21 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 2020/21 Annual Report of Cape Winelands District Municipality (CWDM) be approved without reservations, in terms of section 129 of the MFMA.

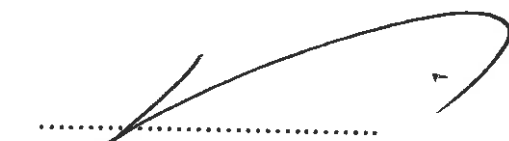
- (d) The 2020/21 Oversight Report of Cape Winelands District Municipality be made public in terms of Section 129(3) of the MFMA and be submitted to the Western Cape Legislature in terms of Section 132(2) of the MFMA.

9. CONCLUSION

The Committee unanimously accepts that the 2020/21 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 2020/21 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 2020/21 Annual Report accurately reflects the performance of the Municipality for the year under review and recommend that the Council approve the 2020/21 Annual Report without reservations.


.....
COUNCILLOR D. JOUBERT
SPEAKER OF COUNCIL

24 March 2022

ANNEXURE 'A'

AUDIT ACTION PLAN



Cape Winelands District Municipality Audit Action Plan 2020/2021

Corrected Findings

Classification	Basis on AG finding	Proposed Corrective Action	Corrected 2020/2021	Responsible person	Progress on implementation	Priority Rating	Due Date	COMAF	Page Ref NR
----------------	---------------------	----------------------------	---------------------	--------------------	----------------------------	-----------------	----------	-------	-------------

Supply Chain Management

Non-compliance with Legislation	Management did not adhere to the requirements of Regulation 36 of the Municipal Supply Chain Management Regulation as the reasons provided to deviate from the procurement process were deemed invalid. No reasons other than deviations document was provided by management to confirm the validity of the complex nature of the specifications for the insurance award.	It is recommended that management implement additional reviews over the reasons to deviate in the procurement process to ensure that compliance. It is also recommended that proper planning be implemented to ensure timely procurement for contracts that are known to reoccur, to avoid situations where deviations would be needed. It is further recommended that management disclose the irregular expenditure identified.	Finding resolved	M Lesch	Based on the above and all additional information subsequently provided by management, the deviation is valid and the finding is thus resolved. Due to the management motivation not being supported initially by information that was subsequently received the deficiency is reported in the management report.	H	30-Nov-21	ComAF 3	Page nr. 39
Non-compliance with Legislation	Management did not disclose the irregular expenditure as reported in COMAF 5 of the prior year as they disagreed with the finding.	It is recommended that management disclose the irregular expenditure for all awards made after 5 May 2020.	Finding resolved	CFO	In no uncertain terms the AG made it clear that all 4 senior managers must be in attendance at the sitting of BAC meetings in order for the BAC to be compliant. The AG's criteria in terms of determining compliance pertaining to the composition was therefore clearly based on the attendance of senior managers at a specific BAC sitting. Only after receipt of the DG's letter to AGSA, the AG's approach to determine compliance in terms of the composition of the BAC changed. In view of the above-mentioned, it is our submission that the AG already made their finding based on the minutes of the BAC meeting and at no point requested additional information regarding the composition of the BAC. The subsequent information (appointment letter) provided was assessed and noted that the municipality did appoint another Senior manager from Stellenbosch and therefore complies with regulation 28(2) even though some of the minutes do not indicate the full composition of the committee. Therefore, no completeness of irregular and material non-compliance is raised. The matter will remain in the management report due to deficiency noted above of not providing pertinent information that could have been assessed and could have resolved the issue when it was initially raised.	H	30-Nov-21	ComAF 5	Page nr. 55
	Management obtained an SM from a neighbouring municipality as evidenced by the letter and the email confirmation, however, there is inconsistency there are inconsistencies in the audit evidence presented for verification of the presence of the SM in the BAC meetings.	It is further recommended that management clearly indicate who the SM is that is invited to the BAC meetings in the BAC minutes.	Finding resolved	CFO					

Cash flow statement

Non-cash purchases disclosed as cash outflows	Management did not apply the definition of GRAP 2.17 correctly when preparing the annual financial statements for cash from investing activities on additions. The schedule of additions was used to populate the cash flow statement without removing the accrual purchases.	Management should report the actual cash flows for purchases of assets disclosed under investing activities and any other reported figure in the cash flow statement as the objective of this statement is to report to the users of the financial statements the cash effects throughout year for operating, investing and financing activities of the entity. It is recommended that management amend the cash flow from investing activities to reflect cash outflows only. It is further recommended that, since there is no separation with regards to cash payments of assets and the accruals, that management implement a tracking tool which can be used to distinguish between cash and non-cash outflows relating to the purchase of PPE.	Yes	M Lesch	Management corrected the Cash flow statement. Management will expect from the service provider who is appointed for the review of the AFS for the current financial year to: a) Source the transversal findings in terms of the specific GRAP standards to ensure the correct disclosure; and b) Investigate the interpretation differences of the specific GRAP standards between the Accounting Standards Board and the Auditor General.	H	30-Nov-21	ComAF 4	Page nr. 49
---	---	--	-----	---------	---	---	-----------	---------	-------------

Statement of Comparison of Budget and Actual amounts

Approved budget not disclosed in terms of GRAP 24	Management did not apply the definition of GRAP 24.06 correctly when preparing the Statement of Comparison of Budget and Actual Amounts. Management interpreted "approved budget" to be the last budget that was tabled to council including all reclassifications and the "final budget" to be the "approved budget" including all virements	It is recommended that management amend Statement of Comparison of Budget and Actual amounts to align to the definitions of the approved and final budget as per GRAP 24. It is further recommended that management amend the effects on notes 43 and 44 the amendments above may have in line with GRAP 14 and 24.27(a)	Yes	M Lesch	Management corrected the Statement of Comparison of Budget and Actual amounts. Management will expect from the service provider who is appointed for the review of the AFS for the current financial year to: a) Source the transversal findings in terms of the specific GRAP standards to ensure the correct disclosure; and b) Investigate the interpretation differences of the specific GRAP standards between the Accounting Standards Board and the Auditor General.	H	30-Nov-21	ComAF 6	Page nr. 82
---	---	---	-----	---------	--	---	-----------	---------	-------------

Disclosure

ANNEXURE 'B'

KEY COMMENTS: COMMUNITY AND ORGANS OF STATE

KAAPSE WYNLAND DISTRIKSMUNISIPALITEIT

KENNISGEWING

KONSEP 2020/2021 JAARVERSLAG

Kennis geskied hiermee ingevolge artikel 21A van die Wet op Plaaslike Regering: Munisipale Stelsels, 2000 (Wet No. 32 van 2000), gelees saam met artikel 127(5)(a) van die Wet op Plaaslike Regering: Munisipale Finansiële Bestuur, 2003 (Wet No. 56 van 2003) dat die konsep 2020/2021 Jaarverslag aan die Raad voorgelê is by item R.1.4.7 van 27 Januarie 2022.

Lede van die publiek en gemeenskappe binne die area van die Kaapse Wynland Distriksmunisipaliteit, Regeringsinstellings, die private sektor en organe van die burgerlike samelewing word hiermee uitgenooi om kommentaar te lever oor die konsep Jaarverslag vir die 2020/2021 finansiële jaar.

Die verslag sal vanaf 31 Januarie 2022 op die munisipale webblad: www.capewinlands.gov.za beskikbaar wees. Hierdekskepe is ook vir kommentaar en besigtiging by die volgende kantore van die Kaapse Wynland Distriksmunisipaliteit beskikbaar:

- Alexanderstraat 46, Stellenbosch (Me. N. Sigwela)
- Trappesstraat 51, Worcester (Me. R.F.V. Carelse)
- Hoofsstraat 194, Paarl (Me. M. Marang)
- Murnikstraat 27, Ceres (Ms. C. Louw)
- Van Reenenstraat 40, Robertson (Me. T. Jagers)
- Badstraat 50A, Montagu (Me. C.E. Marais)

Kommentaar met betrekking tot die konsep 2020/2021 Jaarverslag moet by die Kantoor van die Munisipale Bestuurder voor 12:00 op Vrydag, 25 Februarie 2022 ingedien word. Persone wat nie kan lees of skryf nie, gestremdes of persone uit benadeelde groepe wat nie in staat is om geskrewe kommentaar voor te lê nie, kan die persone hierbo vermeld vir om hulle behulpzaam te wees om hul kommentaar af te neem en aan die Distriksmunisipaliteit voor te lê.

Navrae kan gerig word aan: Kaapse Wynland Distriksmunisipaliteit, Posbus 100, Stellenbosch, 7599 of telefoon 0861 265 263 of per e-pos by: nangarnso@capewinlands.gov.za

HF PRINS
MUNISIPALE BESTUURDER

Kaapse Wynland
Distriksmunisipaliteit
Alexanderstraat 46
Stellenbosch 7600



KAAPSE WYNLAND DISTRIKS
MUNISIPALITEIT • MUNICIPALITY • DISTRICT

CAPE WINELANDS DISTRICT MUNICIPALITY

NOTICE

DRAFT 2020/2021 ANNUAL REPORT

Notice is hereby 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 2020/2021 Annual Report was tabled in the Council at item C.14.7 of 27 January 2022.

Members of the public and communities within the area of the Cape Winelands District Municipality, Government Institutions, the private sector and organs of the civil society, are hereby invited to comment on the draft Annual Report for the 2020/2021 financial year.

The report can be accessed on the municipal website: www.capewinlands.gov.za from 31 January 2022. Hard copies are also available for comments and viewing at the following Cape Winelands District Municipality offices:

- 46 Alexander Street, Stellenbosch (Ms. N. Sigwela)
- 51 Trappes Street, Worcester (Ms. R.F.V. Carelse)
- 194 Main Street, Paarl (Ms. M. Marang)
- 27 Murnik Street, Ceres (Ms. C. Louw)
- 40 Van Reenen Street, Robertson (Ms. T. Jagers)
- 50A Bath Street, Montagu (Ms. C.E. Marais)

Comments with regard to the draft 2020/2021 Annual Report must be submitted to the Office of the Municipal Manager before 12:00 on Friday, 25 February 2022. Any person who cannot read or write, people with disabilities and people from disadvantaged groups who are unable to submit written comments, 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: Cape Winelands District Municipality, P.O. Box 100, Stellenbosch, 7599 or telephone 0861 265 263 or via e-mail: nangarnso@capewinlands.gov.za

HF PRINS
MUNICIPAL MANAGER

Cape Winelands
District Municipality
46 Alexander Street
Stellenbosch 7600



CAPE WINELANDS DISTRICT
MUNICIPALITY • DISTRICT • MUNICIPALITY

UMASIPALA WESTHLI SASECAPE WINELANDS

ISAZISO

INGXELO YONYAKA EYILWAYO YOWAMA-2020/2021

Isaziso sinikezelwa ngokufambelana necandelo 21A loMthetho kaMasipala: uMthetho weenKqubo zikaMasipala, 2000 (uMthetho ongqombolo 32 wama-2000), ofundwa kunye necandelo 127(5)(a) loMthetho kaMasipala wokuLawulo lweMali kaMasipala, wama-2003 (uMthetho ongqombolo 56 wama-2003) sokokuba ingxelo eyilwayo yonyaka yowama-2020/2021 yaxoxwa kwibhunga kulMba C.14.7 ngomhla wama-27 kuJanyuwari 2022.

Uluntu kunye neengingqi zoluntu ezikummandla woMasipala weSithili saseCape Winelands, amaZiko kaRholumenthe, amaSithili angasese namacandelo embutho yoluntu, luyaminywa ukuba banike izimvo ngeNgcwelo yonyaka eyilwayo elungiselelwe uNyaka-mali wama-2020/2021.

Ingcwelo inokufunyanwa kwiwebhusayithi kamaspala kule dilesi www.capewinlands.gov.za ukususela ngomhla wama-31 kuJanyuwari 2022. Iliphi ezishicilelwayo ziyatumaneka okokuba kunikwe izimvo yaye iholo kwii-Ofisi zilandelayo zikaMasipala weSithili saseCape Winelands:

- 46 Alexander Street, Stellenbosch (Nkszn. N. Sigwela)
- 51 Trappes Street, Worcester (Nkszn. R.F.V. Carelse)
- 194 Main Street, Paarl (Nkszn. M. Marang)
- 27 Murnik Street, Ceres (Nkszn. C. Louw)
- 40 Van Reenen Street, Robertson (Nkszn. T. Jagers)
- 50A Bath Street, Montagu (Nkszn. C.E. Marais)

Izimvo ephathelene neNgcwelo eyilwayo yonyaka wama-2020/2021 kufuneka zingelwayo kwi-Ofisi yoMlawuli kaMasipala ngaphambi kwentsimbi ye-12:00 ngohwesithanu, umhla wama-25 kuFebruwari 2022. Nawuphi na umntu ongakwaziyo ukufunda okanye ukubhala, abantu abakhubazekileyo kunye nabantu abakumaqela abaleleleliyo abangakwaziyo ukungenisa izimvo ezibhalwayo, bangacela uncedo kubantu abachazwe apha ngasentla, ukuze izimvo zabo zirektothwe zize zingelwayo kumaMasipala weSithili.

Inibuzo inokubhekiswa: kuMasipala weSithili saseCape Winelands, P.O. Box 100, Stellenbosch, 7599 okanye kutsalethe umnxeba kulo nombolo 0861 265 263 okanye i-imeyili: nangarnso@capewinlands.gov.za

H.F. PRINS
UMLAWULI KAMASIPALA

UMaspala weSithili
saseCape Winelands
46 Alexander Street
Stellenbosch 7600



CAPE WINELANDS DISTRICT
MUNICIPALITY • DISTRICT • MUNICIPALITY

AG'S REVIEW

Pages	Comment
10	The movement in status does not agree to the management report
39	Indicator 2,1,1,3 reasons for variance not the same as apr provided for audit, one provided for audit had overachievement but this version says underachievement a
58 and 59	there this two unnumbered pages between page 58 and 59
124	1st table(executive and council) year 2021 is blank
124-129	year 2021 is documented as year 0 whereas year 2020 is year 1?
164	budget table amounts not the same as whatwas audited- refer to adjusted afs
168 and 200	agency services actual amount not the same as actual on the afs
170	amounts for suppliers and purchases of ppe not the same as audited afs
171	budget table amounts not the same as whatwas audited- refer to adjusted afs
171	Cash flow amount to adjusted for the comaf issued - see audited AFS
174- afs	there is blank pages in between and afs loaded only ends at page 65 instead of 110
AC report	par 3,2 page3- last par states 19/20 ?
176	chapter 9- oversight report still to be included



The Municipal Manager
Cape Winelands District Municipality
PO Box 100
Stellenbosch
7599

Dear Mr Prins

PROVINCIAL TREASURY COMMENTS ON THE TABLED 2020/21 ANNUAL REPORT

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 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.

Provincial Treasury reminded all municipalities of these responsibilities in Treasury Circular No 1 of 2022 (25 January 2022).



2. SERVICE DELIVERY PERFORMANCE

Strategic Objective	SDBP Targets	Target Achieved	Targets not achieved	% achieved
SO1: 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.	11	11	0	100%
SO2: Promoting sustainable infrastructure services and a transport system that fosters social and economic opportunities.	10	6	4	60%
SO3: Providing effective and efficient financial and strategic support services to the CWDM.	15	11	4	73.3%
TOTAL	36	28	8	77.8%

- The Municipality had excellent service delivery performance with a 22.2 per cent variance between planned and actual performance, compared to a 21.0 per cent variance in 2019/20. While the Municipality has regressed in terms of the proportion of targets achieved when compared to the previous financial year, actual performance has improved when compared to the previous year's actuals. The Municipality has therefore improved on its efforts to deliver on its service delivery mandate.
- The Municipality had excellent performance for SO1 where all of the targets set were achieved, showing a commitment towards social and economic development within the region.
- The Municipality had relatively poor performance for SO2 (60.0 per cent success rate). This is a concern as these targets relate to service delivery, such as the upgrade of sports facilities, spending on rural projects; and the regravelling of roads, all of which were not achieved. Fortunately, all of these targets were almost achieved. Nevertheless, there is room for improvement in this regard as such projects have a positive effect on the economy.
- Several targets that were not achieved also relate to underspending. This could hamper service delivery and lead to a possible reduction in transfers. The Municipality should pay close attention to improving spending performance.
- The Municipality has indicated reasons for under-achievement and the corrective measures for all targets that were not achieved. These are noted and should serve to improve performance in the 2021/22 financial year.

3. BROAD-BASED BLACK ECONOMIC EMPOWERMENT DISCLOSURES

Information on compliance with the Broad-based Black Economic Empowerment (B-BBEE) Act (Act 53 of 2003) has been disclosed on page 52 of the Annual Report. The information provided is adequate. The Municipality has made a significant contribution towards black economic empowerment, through employment in management posts, procuring services and skills development for non-whites, females, youth and the disabled.

4. AUDITOR GENERAL FINDINGS

The Municipality received unqualified audits with no findings i.e., clean audits for the 8th consecutive year in a row. The Municipality is commended for maintaining excellent financial reporting and governance levels.

Sean O'Neill

From: Elrina Marais
Sent: Thursday, 03 March 2022 08:50
To: Sean O'Neill
Subject: Re: PUBLIC SUBMISSIONS/COMMENTS ON THE DRAFT 2020/2021 ANNUAL REPORT

Hi

Montagu Office No submissions/comments.

Thank you

From: Sean O'Neill <Sean@capewinlands.gov.za>
Sent: Wednesday, March 2, 2022 3:22 PM
To: Adelaide Issel <Adelaide@capewinlands.gov.za>; Myrtle Marang <Myrtler@capewinlands.gov.za>; Christelle Louw <christelle@capewinlands.gov.za>; Elrina Marais <elrina@capewinlands.gov.za>; Roxanne Carelse <Roxanne@capewinlands.gov.za>; Nayan Lendon Wehr <nayanlw@capewinlands.gov.za>
Cc: Nangamso Sigwela <nangamso@capewinlands.gov.za>
Subject: PUBLIC SUBMISSIONS/COMMENTS ON THE DRAFT 2020/2021 ANNUAL REPORT

Good day Colleagues

I hope this find you well.

Could you please indicate whether you have received any public submissions/comments on the draft 2020/2021 Annual Report.

Kind Regards

Sean

Sean O'Neill

Intern: IDP and Performance Management

Cape Winelands District Municipality



46 Alexander Street, Stellenbosch, 7600,



Sean@capewinlands.gov.za



www.capewinlands.gov.za

Sean O'Neill

From: Myrtle Marang
Sent: Wednesday, 02 March 2022 16:02
To: Sean O'Neill
Subject: RE: PUBLIC SUBMISSIONS/COMMENTS ON THE DRAFT 2020/2021 ANNUAL REPORT

Good day Sean

Paarl office haven't received any public submissions.

Regards

Myrtle

From: Sean O'Neill <Sean@capewinelands.gov.za>
Sent: Wednesday, 02 March 2022 15:22
To: Adelaide Issel <Adelaide@capewinelands.gov.za>; Myrtle Marang <Myrtler@capewinelands.gov.za>; Christelle Louw <christelle@capewinelands.gov.za>; Elrina Marais <elrina@capewinelands.gov.za>; Roxanne Carelse <Roxanne@capewinelands.gov.za>; Nayan Lendon Wehr <nayanlw@capewinelands.gov.za>
Cc: Nangamso Sigwela <nangamso@capewinelands.gov.za>
Subject: PUBLIC SUBMISSIONS/COMMENTS ON THE DRAFT 2020/2021 ANNUAL REPORT

Good day Colleagues

I hope this find you well.

Could you please indicate whether you have received any public submissions/comments on the draft 2020/2021 Annual Report.

Kind Regards

Sean

Sean O'Neill

Intern: IDP and Performance Management
Cape Winelands District Municipality



46 Alexander Street, Stellenbosch, 7600,



Sean@capewinelands.gov.za



www.capewinelands.gov.za

Sean O'Neill

From: Surene Grootboom
Sent: Wednesday, 16 March 2022 08:32
To: Sean O'Neill
Cc: Tameron Jagers
Subject: RE: PUBLIC SUBMISSIONS/COMMENTS ON THE DRAFT 2020/2021 ANNUAL REPORT

Good day Sean

No public submissions/comments were received in Langeberg Region on the draft 2020/2021 Annual Report.

Regards

From: Sean O'Neill <Sean@capewinelands.gov.za>
Sent: Wednesday, 16 March 2022 08:24
To: Surene Grootboom <surene@capewinelands.gov.za>
Subject: FW: PUBLIC SUBMISSIONS/COMMENTS ON THE DRAFT 2020/2021 ANNUAL REPORT

Good day Surene,

I hope you are well.

Could you please be of assistance with the request below.

Kind Regards

From: Sean O'Neill
Sent: Wednesday, 02 March 2022 15:22
To: Adelaide Issel <Adelaide@capewinelands.gov.za>; Myrtle Marang <Myrtler@capewinelands.gov.za>; Christelle Louw <christelle@capewinelands.gov.za>; Elrina Marais <elrina@capewinelands.gov.za>; Roxanne Carelse <Roxanne@capewinelands.gov.za>; Nayan Lendon Wehr <nayanlw@capewinelands.gov.za>
Cc: Nangamso Sigwela <nangamso@capewinelands.gov.za>
Subject: PUBLIC SUBMISSIONS/COMMENTS ON THE DRAFT 2020/2021 ANNUAL REPORT

Good day Colleagues

I hope this find you well.

Could you please indicate whether you have received any public submissions/comments on the draft 2020/2021 Annual Report.

Kind Regards
Sean

Sean O'Neill
Intern: IDP and Performance Management
Cape Winelands District Municipality

 46 Alexander Street, Stellenbosch, 7600,

Sean O'Neill

From: Christelle Louw
Sent: Wednesday, 02 March 2022 15:57
To: Sean O'Neill
Subject: RE: PUBLIC SUBMISSIONS/COMMENTS ON THE DRAFT 2020/2021 ANNUAL REPORT

Good day

Ceres Office have not received any public submissions/comments on the draft 2020/2021 Annual Report.

Regards

Christelle

From: Sean O'Neill <Sean@capewinelands.gov.za>
Sent: Wednesday, 02 March 2022 3:22 PM
To: Adelaide Issel <Adelaide@capewinelands.gov.za>; Myrtle Marang <Myrtler@capewinelands.gov.za>; Christelle Louw <christelle@capewinelands.gov.za>; Elrina Marais <elrina@capewinelands.gov.za>; Roxanne Carelse <Roxanne@capewinelands.gov.za>; Nayan Lendon Wehr <nayanlw@capewinelands.gov.za>
Cc: Nangamso Sigwela <nangamso@capewinelands.gov.za>
Subject: PUBLIC SUBMISSIONS/COMMENTS ON THE DRAFT 2020/2021 ANNUAL REPORT

Good day Colleagues

I hope this find you well.

Could you please indicate whether you have received any public submissions/comments on the draft 2020/2021 Annual Report.

Kind Regards
Sean

Sean O'Neill
Intern: IDP and Performance Management
Cape Winelands District Municipality.



46 Alexander Street, Stellenbosch, 7600,



Sean@capewinelands.gov.za



www.capewinelands.gov.za

Sean O'Neill

From: Adelaide Issel
Sent: Wednesday, 02 March 2022 15:24
To: Sean O'Neill
Subject: RE: PUBLIC SUBMISSIONS/COMMENTS ON THE DRAFT 2020/2021 ANNUAL REPORT

Hi Sean

Nothing.

Regards

Adelaide

From: Sean O'Neill <Sean@capewinlands.gov.za>
Sent: Wednesday, 02 March 2022 15:22
To: Adelaide Issel <Adeiaide@capewinlands.gov.za>; Myrtle Marang <Myrtier@capewinlands.gov.za>; Christelle Louw <christelle@capewinlands.gov.za>; Elrina Marais <elrina@capewinlands.gov.za>; Roxanne Carelse <Roxanne@capewinlands.gov.za>; Nayan Lendon Wehr <nayanlw@capewinlands.gov.za>
Cc: Nangamso Sigwela <nangamso@capewinlands.gov.za>
Subject: PUBLIC SUBMISSIONS/COMMENTS ON THE DRAFT 2020/2021 ANNUAL REPORT

Good day Colleagues

I hope this find you well.

Could you please indicate whether you have received any public submissions/comments on the draft 2020/2021 Annual Report.

Kind Regards
Sean

Sean O'Neill
Intern: IDP and Performance Management
Cape Winelands District Municipality



46 Alexander Street, Stellenbosch, 7600,



Sean@capewinlands.gov.za



www.capewinlands.gov.za

Sean O'Neill

From: Roxanne Carelse
Sent: Wednesday, 09 March 2022 09:20
To: Sean O'Neill
Subject: RE: PUBLIC SUBMISSIONS/COMMENTS ON THE DRAFT 2020/2021 ANNUAL REPORT

Good day Sean

None

From: Sean O'Neill <Sean@capewinelands.gov.za>
Sent: Wednesday, 02 March 2022 15:22
To: Adelaide Issel <Adelaide@capewinelands.gov.za>; Myrtle Marang <Myrtler@capewinelands.gov.za>; Christelle Louw <christelle@capewinelands.gov.za>; Elrina Marais <elrina@capewinelands.gov.za>; Roxanne Carelse <Roxanne@capewinelands.gov.za>; Nayan Lendon Wehr <nayanlw@capewinelands.gov.za>
Cc: Nangamso Sigwela <nangamso@capewinelands.gov.za>
Subject: PUBLIC SUBMISSIONS/COMMENTS ON THE DRAFT 2020/2021 ANNUAL REPORT

Good day Colleagues

I hope this find you well.

Could you please indicate whether you have received any public submissions/comments on the draft 2020/2021 Annual Report.

Kind Regards
Sean

Sean O'Neill
Intern: IDP and Performance Management
Cape Winelands District Municipality

 46 Alexander Street, Stellenbosch, 7600,



Sean@capewinelands.gov.za



www.capewinelands.gov.za

ANNEXURE 'C'

COUNCIL MEETING MINUTES

27 JANUARY 2022

ACTION MINUTES

COUNCIL MEETING

27 JANUARY 2022

Ald. R. Smuts
Cllr. J.H.P. Steyn
Cllr. D. Swart
Cllr. C.F. Wliskut
Cllr. M.H. Yabo

OFFICIALS

Mr. H.F. Prins (Municipal Manager)
Ms. F.A. du Raan-Groenewald
Mr. F. van Eck
Mr. P.A. Williams
Ms. K. Smit
Ms. B.T. Daries
Ms. N. Sigwela
Ms. E.J. Otto
Mr. D.A. Heath
Ms. N.J. Fortuin
Ms. I. Willemse

C.1	OPENING	(3/2/1/2)
R.1	OPENING	(3/2/1/2)
C.1	UKUVULA	(3/2/1/2)

The Speaker welcomed all present.

C.2	ELECTION OF ACTING SPEAKER, IF NECESSARY	(3/2/1/2)
------------	---	------------------

Not applicable.

C.3	DISCLOSURE OF ANY DIRECT OR INDIRECT INTERESTS BY COUNCILLORS AND/OR OFFICIALS	(3/4/1 & 4/8/4)
R.3	BEKENDMAKING DEUR RAADSLEDE EN/OF AMPTENARE VAN ENIGE REGSTREEKSE OF ONREGSTREEKSE BELANGE	(3/4/1 & 4/8/4)
C.3	UKUBHENGEZWA KWEMIDLA ETHE NGQO NENGATHANGA NGQO OKWENZIWA NGOCEBA KUNYE/OKANYE AMAGOSA	(3/4/1 & 4/8/4)

None.

- C.14.7 DRAFT ANNUAL REPORT OF THE CAPE WINELANDS DISTRICT MUNICIPALITY FOR THE 2020/2021 FINANCIAL YEAR**
(3/2/5/5, 5/1/1/13 & 9/1/1)
- R.14.7 KONSEP-JAARVERSLAG VAN DIE KAAPSE WYNLAND DISTRIKS-MUNISIPALITEIT VIR DIE 2020/2021 FINANSIËLE JAAR**
(3/2/5/5, 5/1/1/13 & 9/1/1)
- C.14.7 INGXELO YONYAKA EYILWAYO YOWAMA-2020/2021 YOMASIPALA WESITHILI SASECAPE WINELANDS**
(3/2/5/5, 5/1/1/13 & 9/1/1)
-

PURPOSE OF SUBMISSION

That Council takes cognisance of the draft Annual Report for 2020/2021.

DOEL VAN VOORLEGGING

Dat die Raad kennis neem van die konsep-Jaarverslag vir 2020/2021.

INJONGO YONGENISO

Yeyokokuba iBhunga lithathele ingqalelo iNgxelo eyilwayo yoNyaka yowama-2020/2021.

BACKGROUND

The draft Annual Report 2020/2021 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 as Annexure "A" is a copy of the draft Annual Report for 2020/2021.

7
Council Meeting
27 January 2022

The annual report of municipalities is governed by Chapter 12 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003). In terms of section 127(2) of the said Act, the mayor of a municipality must, within seven (7) months after the end of the financial year, table the annual report of the municipality in the municipal council.

Section 127(3)(a) and (b) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) stipulates that if the mayor, for whatever reason is unable to table in the council the annual report of the municipality, the mayor must promptly submit to the council a written explanation setting out the reasons for the delay, together with any components of the report that are ready and submit to council the outstanding report or the outstanding components of the annual report as soon as possible.

The table below is a short summary of the Chapter 12 process:

ACTION	DEADLINE
The Mayor must within 7 months after the end of the financial year table the draft Annual Report in Council.	31 January 2022
The Accounting Officer must publish the draft Annual Report.	Immediately after tabling
The Accounting Officer must invite submissions.	Immediately after tabling
The Accounting Officer must submit the draft Annual Report to the Auditor General, Provincial Treasury and the Provincial Department of Local Government.	Immediately after tabling
Council must deal with the draft Annual Report within 9 months after the end of the financial year. Part of this process includes the drafting of an oversight report.	31 March 2022

In terms of section 121(3) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) the Annual Report must include-

- (a) the annual financial statements of the municipality, and in addition, if section 122(2) applies, consolidated annual financial statements, as submitted to the Auditor-General for audit in terms of section 126(1);
- (b) the Auditor-General's audit report in terms of section 126(3) on those financial statements;
- (c) the annual performance report of the Municipality prepared in terms of section 46 of the Municipal Systems Act;
- (d) the Auditor-General's audit report in terms of section 45(b) of the Municipal Systems Act;

9
Council Meeting
27 January 2022

COUNCIL MEETING: 27 JANUARY 2022: ITEM C.14.7

RESOLVED:

That cognisance be taken of the draft Annual Report for 2020/2021, attached under separate cover to the agenda item.

ACTION	DUE DATE	COMMENT
Ms. F.A. du Raan-Groenewald (Admin Support) to attend to advertising pertaining to (a) above	28 January 2022	Advertisement will be published from Friday, 28 January 2022

ANNEXURE 'D'

**MPAC REVIEW OF 2020/2021
DRAFT ANNUAL REPORT
(QUESTIONS AND FEEDBACK
FROM ADMINISTRATION)**

MPAC REVIEW OF 2020/2021 DRAFT ANNUAL REPORT AND MANAGEMENT RESPONSE

NO.	QUESTION/COMMENTS	MANAGEMENT RESPONSE
1.	No visibility of CWDM in respect of Community Safety.	Community Safety is a Provincial Government responsibility; however, engagement needs to take place with the ED: CDPS.
2.	Farm Dwellers – no water and ablution facilities in majority of farms. Is there a plan to fix this?	Some work is done in this regard. Further engagement needs to take place with the ED: CDPS.
3.	The draft 2020/2021 annual report shows that inspections are done, but there is no indication of the outcomes.	This will be considering for the next reporting period (2021/22 annual report).
4.	Is there a risk dashboard?	A strategic risk workshop took place on 14 March 2022 to form part of the draft IDP and will be finalized and included in the final IDP before tabling in council in May 2022.
5.	Rules of order need to be amended.	Comment noted, a review will be considered.
6.	System of delegation need to be amended.	Comment noted, a review will be considered.
7.	Performance Management Framework needs to be amended.	This is work in progress considering the new staff regulations that are due for implementation on 1 July 2022. The revised Performance Management Framework will serve before council before the new financial year.

CAPE WINELANDS DISTRICT MUNICIPALITY

MINUTES OF THE COUNCIL MEETING OF THE CAPE WINELANDS DISTRICT MUNICIPALITY HELD ON THURSDAY, 24 MARCH 2022 AT 10:00 IN THE COUNCIL CHAMBER, CAPE WINELANDS DISTRICT MUNICIPALITY, TRAPPES STREET, WORCESTER

PRESENT

(3/2/1/2)

COUNCILLORS

Cllr. D.D. Joubert (Speaker)

Ald. (Dr.) H. von Schlicht (Executive Mayor)

Ald. M. Sampson (Executive Deputy Mayor)

Ald. K. Adams

Cllr. E.G. Arendse

Cllr. W.M. Blom (Virtual)

Cllr. M.N. Bushwana

Cllr. G.J. Carinus

Cllr. A.J. du Plessis

Cllr. R. Farao

Cllr. G.J. Fredericks

Cllr. S. Goedeman

Cllr. E. Groenewald

Cllr. V. Hani

Cllr. J.J.S. Januarie

Cllr. F. Jacobs

Cllr. D.B. Janse

Cllr. C.O. Klaaste

Cllr. J. Kriel

Cllr. M.S. Liebenberg

Cllr. J. Maliti

Cllr. C. Manuel

Cllr. X.L. Mdemka

Ald. C. Meyer

Cllr. T.R. Mphulanyana

Cllr. R.S. Nalumango

Cllr. D.W. Nel

Cllr. L. Ngwane

Cllr. A.J. Pedro

Cllr. W.C. Petersen

Cllr. N. Phatsoane

Cllr. A.M. Richards

Cllr. N.D. Sauerman

Cllr. M. Smit

Ald. R. Smuts

Cllr. J.H.P. Steyn

Cllr. D. Swart
Cllr. M. van Stade
Cllr. M.H. Yabo

OFFICIALS

Mr. H.F. Prins (Municipal Manager)
Ms. F.A. du Raan-Groenewald
Mr. P.A. Williams
Ms. K. Smit
Ms. W.M. Neethling
Ms. B.T. Daries
Ms. E.J. Otto
Mr. M.J. Lesch (Virtual)
Ms. N. Sigwela (Virtual)
Ms. N.J. Fortuin (Virtual)
Ms. R.A. Leo (Virtual)
Mr. R. Hollenbach (Virtual)
Mr. C.J.M. Arangie (Virtual)
Ms. M.R. Matthyse
Ms. C. Michael
Mr. D.A. Heath
Ms. I. Willemse

C.1

OPENING

(3/2/1/2)

The Speaker welcomed all present and requested a moment of reflection.

C.1.1

ROBING CEREMONY

I am honoured to address you today. When Karina let me know that our Councillor robes had arrived and that we would be doing this ceremony, it got me thinking about the purpose of robes and ceremonial dress in general.

I thought back to my own experience, and I realized that throughout life, there are occasions that call for specific forms of dress. Through the ages, all leaders, from chiefs and generals to presidents and judges have announced their authority and office through the wearing of specific items.

In religion, we expect the spiritual leader to wear attire that indicates affiliation, belief and in some cases, seniority and designation of office. In sport, the man of the match is often indicated through a special piece of clothing or a trophy, (like the pink shorts in Varsity Cup Rugby). Even at school, leadership and/or achievement is indicated through the wearing of a badge or special blazer. And of course, when we graduate, we are adorned in a gown showing the level of the qualification attained.

Essentially, the wearing of certain clothing communicates to us, the jurisdiction and sphere of influence as well as what we can expect of the wearer. In our organisation, the fire, roads and cleaning staff all wear uniforms that show us what they do. We know that the employee is qualified to wear that uniform, and that we can trust them to accomplish their task.

Today, we celebrate the robing of our Speaker, Executive Deputy Mayor and the Executive Mayor. To celebrate this auspicious occasion, we have asked a staff member from each department to assist with the hanging of the robes. In line with protocol, we will start the ceremony with the Speaker.

By wearing these robes, you are declaring your commitment to this Council in matters of leadership, authority, and accountability. You are also promising to uphold the highest level of service to our public.

Madame Mayor, Executive Deputy Mayor and Speaker, we trust in your leadership. We wish you well in this term, may wisdom guide and passion drive you to succeed at your tasks so that the citizens of the Cape Winelands District may thrive.

Thank you, Speaker.

C.2 ELECTION OF ACTING SPEAKER, IF NECESSARY (3/2/1/2)

Not applicable.

C.3 DISCLOSURE OF ANY DIRECT OR INDIRECT INTERESTS BY COUNCILLORS AND/OR OFFICIALS (3/4/1 & 4/8/4)

None.

C.4 APPLICATION FOR LEAVE OF ABSENCE (3/2/1/2)

COUNCILLORS

Cllr. J. Smit [subject to submission and approval of prescribed leave form]

Cllr. C.F. Wilskut [subject to submission and approval of prescribed leave form]

OFFICIALS

None.

C.5 STATEMENTS AND COMMUNICATIONS BY THE SPEAKER (*Verbatim*) (3/2/1/3)

I want to confirm that I will address the training of all Councillors regarding the Rules of Order by SALGA Western Cape with the Provincial Director of Operations of SALGA Western Cape as a matter of urgency.

Councillor Birthdays: March 2022

I would like to congratulate the following Councillors who have celebrated their birthdays during March 2022:

02 March	:	Cllr. G.J. Carinus
14 March	:	Cllr. A.J. du Plessis
15 March	:	Cllr. M. Smit
15 March	:	Cllr. M. van Stade

I wish that you will be blessed with happiness, good luck and success in your life.

C.15.2 DRAFT ANNUAL REPORT FOR 2020/2021 OF THE CAPE WINELANDS DISTRICT MUNICIPALITY AND DRAFT OVERSIGHT REPORT FOR THE 2020/2021 FINANCIAL YEAR (3/2/5/5, 5/1/1/13 & 9/1/1)

PURPOSE OF SUBMISSION

That Council consider to approve the draft Annual Report for 2020/2021 of the Cape Winelands District Municipality and the draft Oversight Report for the 2020/2021 financial year without reservations.

BACKGROUND

The draft Annual Report 2020/21 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.

At Item C.14.1 of 27 January 2022 Council resolved that cognisance be taken of the draft Annual Report 2020/2021.

COMMENT

*** Included under separate cover in the agenda as Annexure "A" is a copy of the draft Annual Report 2020/2021.

IMPLICATIONS

PERSONNEL

None.

Comment prepared by: Ms. G.C.N. Gilbert

FINANCIAL

The approval of the 2020/2021 Draft Annual Report and concomitant oversight report have no financial impact on the Municipality.

Comment prepared by: Ms. F.A. du Raan-Groenewald

LEGAL

In terms of section 121(2) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) the purpose of the annual report is –

- (a) to provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates;
- (b) to provide a report on performance against the budget of the municipality or municipal entity for that financial year; and
- (c) to promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.

Annual reports must be aligned with the planning documents and municipal budget for the year reported on. This means that the IDP, Budget, SDBIP, In-year reports, annual performance report and annual report should have similar and consistent information to facilitate understanding and to enable the linkage between plans and actual performance.

Annual reports are the key reporting instruments for municipalities to report against the performance targets and budgets outlined in their strategic plans. Annual reports are therefore required to contain information on service delivery and outcomes, in addition to financial statements. It is a backward-looking document, focusing on performance in the financial year that has just ended, and it must demonstrate how the budget was implemented and the results of service delivery operations for that financial year.

The annual report of municipalities is governed by Chapter 12 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003). In terms of section 127(2) of the said Act, the mayor of a municipality must, within seven (7) months after the end of the financial year, table the annual report of the municipality in the municipal council.

Section 127(3)(a) and (b) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) stipulates that if the mayor, for whatever reason is unable to table in the council the annual report of the municipality, the mayor must promptly submit to the council a written explanation setting out the reasons for the delay, together with any components of the report that are ready and submit to council the outstanding report or the outstanding components of the annual report as soon as possible.

The table below is a short summary of the Chapter 12 process:

ACTION	DEADLINE
The Mayor must within 7 months after the end of the financial year table the draft Annual Report in Council.	31 January 2022
The Accounting Officer must publish the draft Annual Report.	Immediately after tabling
The Accounting Officer must invite submissions.	Immediately after tabling
The Accounting Officer must submit the draft Annual Report to the Auditor General, Provincial Treasury and the Provincial Department of Local Government.	Immediately after tabling
Council must deal with the draft Annual Report within 9 months after the end of the financial year. Part of this process includes the drafting of an oversight report.	31 March 2022

In terms of section 121(3) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) the Annual Report must include-

- (a) the annual financial statements of the municipality, and in addition, if section 122(2) applies, consolidated annual financial statements, as submitted to the Auditor-General for audit in terms of section 126(1);
- (b) the Auditor-General's audit report in terms of section 126(3) on those financial statements;
- (c) the annual performance report of the Municipality prepared in terms of section 46 of the Municipal Systems Act;
- (d) the Auditor-General's audit report in terms of section 45(b) of the Municipal Systems Act;
- (e) an assessment by the municipality's accounting officer of any arrears on municipal taxes and service charges;
- (f) an assessment by the municipality's accounting officer of the municipality's performance against the measurable performance objectives referred to in section 17(3)(b) for revenue collection from each revenue source and for each vote in the approved budget for the year;
- (g) particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d);
- (h) any explanations that may be necessary to clarify issues in connection with the financial statements;

- (i) any information as determined by the municipality;
- (j) any recommendations of the municipality's Audit Committee; and
- (k) any other information as may be prescribed.

In terms of section 130(1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) the meetings of a municipal council at which an annual report is to be discussed or at which decisions concerning an annual report are to be taken, must be open to the public and any organs of state.

According to MFMA Circular 32 dated 15 March 2006, the Annual Report is submitted to Council by the Accounting Officer and the Mayor and is part of the process for discharging accountability by the executive and administration for their performance in achieving the goals set by Council.

Comment prepared by: Ms. W.M. Neethling

RECOMMENDATION BY MUNICIPAL MANAGER:

That the members of the Municipal Public Accounts Committee (MPAC) consider to recommend to Council to –

- (a) Take cognisance of –
 - (i) The report on the draft Annual Report for 2020/2021 by the Chairperson of the Audit Committee as contained in the draft Annual Report;
 - (ii) The report of the Auditor-General on the financial statements of the Cape Winelands District Municipality for the year ended 30 June 2021 as contained in the draft Annual Report;
- (b) Approve –
 - (i) The draft Annual Report for 2020/2021 of the Cape Winelands District Municipality, attached as Annexure "A" to the agenda item;
 - (ii) The draft Oversight Report for the 2020/2021 financial year without reservations.

**MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC): 15 MARCH 2022:
ITEM MPAC.9.3**

RESOLVED:

That it be recommended to Council to –

(a) Take cognisance of –

- (i) The report on the draft Annual Report for 2020/2021 by the Chairperson of the Audit Committee as contained in the draft Annual Report;
- (ii) The report of the Auditor-General on the financial statements of the Cape Winelands District Municipality for the year ended 30 June 2021 as contained in the draft Annual Report;

(b) Approve –

- (i) The draft Annual Report for 2020/2021 of the Cape Winelands District Municipality included under separate cover as Annexure “A” to the agenda item;
- (ii) The draft Oversight Report for the 2020/2021 financial year without reservations.

**RECOMMENDATION BY MUNICIPAL PUBLIC ACCOUNTS COMMITTEE
(MPAC): That –**

(a) Council take cognisance of the –

- (i) Report on the draft Annual Report for 2020/2021 by the Chairperson of the Audit Committee as contained in the draft Annual Report;
- (ii) Report of the Auditor-General on the financial statements of the Cape Winelands District Municipality for the year ended 30 June 2021 as contained in the draft Annual Report;

(b) Council consider to approve the –

- (i) Draft Annual Report for 2020/2021 of the Cape Winelands District Municipality included under separate cover as Annexure “A” to the agenda item;
- (ii) Draft Oversight Report for the 2020/2021 financial year without reservations.

COUNCIL MEETING: 24 MARCH 2022: ITEM C.15.2

RESOLVED (28 Councillors): That –

- (a) Cognisance be taken of the –
 - (i) Report on the draft Annual Report for 2020/2021 by the Chairperson of the Audit Committee as contained in the draft Annual Report;
 - (ii) Report of the Auditor-General on the financial statements of the Cape Winelands District Municipality for the year ended 30 June 2021 as contained in the draft Annual Report;
- (b) The draft Annual Report for 2020/2021 of the Cape Winelands District Municipality included under separate cover as Annexure “A” to the agenda item, be approved;
- (c) The draft Oversight Report for the 2020/2021 financial year be approved without reservations.

C.16 CONCLUSION

The agenda was concluded at 14:35.

CONFIRMED ON THIS DAY OF 2022.

SPEAKER

DAH/iw

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give <i>'full and regular'</i> reports on the matters under their control to parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and annual reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe <i>'what we do'</i> .
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the MFMA. Such report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved budget	An approved budget means an annual budget that has been approved by Council and includes such annual budget as revised by an adjustment budget in terms of Section 28 of the MFMA.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided, it may endanger public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General key performance indicators	After consultation with MECs for local government, the minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are <i>'what we use to do the work'</i> . They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Sets out municipal goals and development plans.
National key performance areas	Service delivery and infrastructure; Economic development; Municipal transformation and institutional development; Financial viability and management; and Good governance and community participation.
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are <i>'what we wish to achieve'</i> .
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as <i>'what we produce or deliver'</i> . An output is a concrete achievement (i.e., a product such as a passport, an action such as a

	presentation or immunisation, or a service such as processing an application) that contributes to the achievement of a key result area.
Performance indicator	Indicators should be specified to measure performance in relation to input, activities, output, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered).
Performance information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance standards	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In the employee performance management and development system, performance standards are divided into indicators and the time factor.
Performance targets	The level of performance that municipalities and its employees strive to achieve. Performance targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery and Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a 'vote' as:</p> <p>(a) <i>one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p>(b) <i>which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.</i></p>

APPENDICES

APPENDIX A – COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

1 JULY 2020 TO 30 JUNE 2021

COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE				
Council Members	Full-time (FT)/ Part-time (PT)	Committees allocated	Ward and/or party represented	Council meetings attended (10 meetings held for the financial year)
Cllr WM Blom	PT	Ambassador for Persons with Disabilities	DA	10
Cllr MN Bushwana	PT	None	ANC	9
Cllr GJ Carinus	FT	Mayoral Committee Local Labour Forum	DA	9
Ald A Crombie	PT	Local Labour Forum (Alternate) Municipal Public Accounts Committee	DA	10
Cllr C Damens	PT	None	DA	9
Cllr P Daniëls	PT	Municipal Public Accounts Committee (Alternate)	DA	10
Ald JJ du Plessis	FT	Mayoral Committee Annual Performance Evaluation Panel (Managers directly accountable to the Municipal Manager)	DA	10
Cllr R du Toit	PT	Municipal Public Accounts Committee Training Committee (Alternate)	DA	10
Cllr GJ Fredericks	PT	Municipal Public Accounts Committee	DA	10
Cllr A Florence	FT	Mayoral Committee	DA	10
Cllr P Hess (until 26.8.2020)	PT	Municipal Public Accounts Committee (Alternate)	DA	1
Cllr DD Joubert Single Whip of Council	FT	Mayoral Committee Local Labour Forum (Alternate)	DA	10
Cllr X Kalipa	PT	Municipal Public Accounts Committee	DA	10
Cllr MT Klaas	PT	Municipal Public Accounts Committee Training Committee (Alternate)	EFF	7

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)
Cllr J Kriel (from 18.9.2020)	PT	None	DA	6
Cllr L Landu	FT	Mayoral Committee Rules Committee	DA	6
Cllr SS Magqazana	PT	Municipal Public Accounts Committee	DA	9
Cllr ZL Masoka	PT	Municipal Public Accounts Committee	DA	9
Cllr ESC Matjan (until 13.10.2020)	PT	Municipal Public Accounts Committee	DA	2
Ald C Meyer (Speaker)	FT	Rules Committee	DA	10
Cllr JS Mouton	PT	Municipal Public Accounts Committee (Alternate)	ANC	7
Cllr RS Nalumango	PT	None	ANC	5
Cllr LW Niehaus	FT	Mayoral Committee	DA	10
Cllr BB Ntshingila	PT	Municipal Public Accounts Committee Rules Committee	ANC	10
Ald LN Qoba	PT	Municipal Public Accounts Committee	ANC	3
Cllr E Qhankqiso	PT	Municipal Public Accounts Committee (Alternate)	DA	9
Cllr PC Ramokhabi	FT	Mayoral Committee Training Committee Local Labour Forum	DA	10
Cllr SC Rens	PT	Municipal Public Accounts Committee (Alternate)	ANC	5
Cllr LS Sambokwe	PT	Local Labour Forum (Alternate)	ANC	6
Cllr ND Sauerma	PT	None	DA	10
Cllr JW Schuurman	PT	Local Labour Forum	ANC	10
Cllr AJ Shibili	PT	None	ANC	5
Cllr J Smit	PT	None	DA	10
Cllr DRA Snyders	PT	Training Committee Rules Committee Municipal Public Accounts Committee (Alternate)	EFF	8
Cllr C Steyn	PT	Municipal Public Accounts Committee (Alternate)	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)
Cllr D Swart (Deputy Executive Mayor)	FT	Mayoral Committee	DA	10
Cllr N Tetana	PT	Municipal Public Accounts Committee (Alternate)	ANC	4
Cllr JJ van Rooyen	PT	Municipal Public Accounts Committee	ANC	8
Cllr JDF van Zyl	FT	Mayoral Committee	DA	10
Cllr W Vrolick	PT	Municipal Public Accounts Committee (Alternate)	DA	7
Cllr (Dr) H von Schlicht (Executive Mayor)	FT	Mayoral Committee Annual Performance Evaluation Panel (Managers directly accountable to the Municipal Manager)	DA	9
Cllr. T.M. Wehr (from 27.10.2020)	PT	None	DA	7
Cllr CF Wilskut	PT	Rules Committee	BO	4

APPENDIX B – COMMITTEES AND PURPOSES OF COMMITTEES

COMMITTEES (OTHER THAN MAYORAL / EXECUTIVE COMMITTEE) AND PURPOSES OF COMMITTEES	
Municipal Committees	Purpose of Committee
Annual Performance Evaluation Panel (Managers directly accountable to the Municipal Manager)	To evaluate the annual performance of the managers directly accountable to the Municipal Manager.
Rules Committee	To make recommendations to Council regarding matters affecting the procedures and policies of the municipal Council and its Councillors.
Training Committee	To develop the workforce in accordance with the National Skills Development Strategy of national government.
Local Labour Forum	To negotiate and/or consult regarding matters of mutual concern; such matters referred from time to time by Bargaining Council or its divisions; except matters reserved for bargaining in Bargaining Council Divisions.
Audit Committee	<p>Audit Committee is an independent advisory body that must –</p> <ul style="list-style-type: none"> (a) advise the municipal Council, the political office-bearers, the Accounting Officer and the management staff of the district municipality on matters relating to – <ul style="list-style-type: none"> (i) internal financial control and internal audits; (ii) risk management; (iii) accounting policies; (iv) the adequacy, reliability and accuracy of financial reporting and information; (v) performance management; (vi) effective governance; (vii) compliance with this Act, the annual Division of Revenue Act and any other applicable legislation; (viii) performance evaluation; and (ix) any other issues referred to it by the municipality or municipal entity; (b) review the annual financial statements to provide the Council of the district municipality with an authoritative and credible view of the financial position of the municipality or municipal entity, its efficiency and effectiveness and its overall level of compliance with this Act, the annual Division of Revenue Act and any other applicable legislation; (c) respond to the Council on any issues raised by the Auditor-General in the audit report;

COMMITTEES (OTHER THAN MAYORAL / EXECUTIVE COMMITTEE) AND PURPOSES OF COMMITTEES

Municipal Committees	Purpose of Committee
	<ul style="list-style-type: none"> (d) carry out such investigations into the financial affairs of the district municipality as the Council of the district municipality may request; and (e) perform such other functions as may be prescribed.
Municipal Public Accounts Committee (MPAC)	<p>The primary Terms of Reference of the MPAC, in addition to other relevant functions, are as follows:</p> <ul style="list-style-type: none"> (a) Shall not be responsible for policy formulation; (b) May engage directly with the public and consider public comments when received and will be entitled to request documents or evidence from the Accounting Officer; (c) Shall have permanent referral of documents as they become available relating to: <ul style="list-style-type: none"> (i) in-year reports of the CWDM; (ii) financial statements of the CWDM as part of its oversight process; (iii) audit opinion, other reports and recommendations from the Audit Committee; (iv) information relating to compliance in terms of Sections 128 and 133 of the MFMA; (v) information in respect of any disciplinary action taken in terms of the MFMA where it relates to an item that is currently serving or has served before it; (vi) any other audit report of the CWDM; and (vii) performance information of the CWDM. (d) Shall consider and evaluate the content of the Annual Report and make recommendations to Council when adopting an oversight report on the Annual Report; (e) In order to assist with the conclusion of matters that may not be finalised, information relating to past recommendations made on the Annual Report must also be reviewed, relating to current in-year reports, including the quarterly, mid-year and annual reports; (f) Shall examine the financial statements and audit reports of the CWDM and in doing so, consider improvements from previous statements and reports and evaluate the extent to which the Audit Committee and the Auditor-General's recommendations have been implemented; (g) Shall promote good governance, transparency and accountability on the use of municipal resources; (h) Shall recommend or undertake any investigation in its area of responsibility after reviewing any investigation report already undertaken by the CWDM or the Audit Committee; (i) Shall request the support of both the internal and external auditors in an advisory capacity when necessary; (j) Shall conduct investigations into unauthorised, irregular and/or fruitless and wasteful expenditure in accordance with Section 32(2)(a)(ii) of the MFMA and Regulation 74 of the Municipal Budget and Reporting Regulations, 2008; (k) Shall perform any other functions within its area of responsibility assigned to it through a resolution of Council.

APPENDIX C – THIRD-TIER ADMINISTRATIVE STRUCTURE

THIRD-TIER STRUCTURE AS @ 30 JUNE 2021		
Directorate	Position	Name
Office of the Municipal Manager	Director: IDP, Performance and Risk Management	BT Daries
	Chief Audit Executive	R Zeelie
	Deputy Director: Communication Services	EJ Otto
	Deputy Director: Legal Services	WM Neethling
Financial and Strategic Support Services	Director: Budget and Treasury Office	MJ Lesch
	Director: Human Resources	GCN Gilbert
	Director: Support Services	K Smit
Community Development and Planning Services	Deputy Director: Socio Economic Development	RWB van Wyk
	Deputy Director: Town and Regional Planning	QJ Balie
	Chief Fire Officer	W Josias
	Head of Municipal Disaster Management Centre	SP Minnies
	Deputy Director: Municipal Health Services	RJ Humphreys
Technical Services	Deputy Director: Regulation of Passenger Transport Services	CT Nkasela
	Deputy Director: Project Management	C Swart
	Deputy Director: Facilities Management	TJ Solomon
	Deputy Director: Information Technology	AM Gabier
	Director: Roads	A Stevens

APPENDIX D – FUNCTIONS OF A DISTRICT MUNICIPALITY

In terms of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998):

FUNCTIONS AND POWERS OF MUNICIPALITIES (Sections 83-89)

83 General

- (1) A municipality has the functions and powers assigned to it in terms of Sections 156 and 229 of the Constitution.
- (2) The functions and powers referred to in Subsection (1) must be divided in the case of a district municipality and the local municipalities within the area of the district municipality, as set out in this Chapter.
- (3) A district municipality must seek to achieve the integrated, sustainable and equitable social and economic development of its area as a whole by –
 - (a) ensuring integrated development planning for the district as a whole;
 - (b) promoting bulk infrastructural development and services for the district as a whole;
 - (c) building the capacity of local municipalities in its area to perform their functions and exercise their powers where such capacity is lacking; and
 - (d) promoting the equitable distribution of resources between the local municipalities in its area to ensure appropriate levels of municipal services within the area.

84 Division of functions and powers between district and local municipalities

- (1) A district municipality has the following functions and powers:
 - (a) Integrated development planning for the district municipality as a whole, including a framework for integrated development plans of all municipalities in the area of the district municipality.
 - (b) Potable water supply systems.
 - (c) Bulk supply of electricity, which includes for the purposes of such supply the transmission, distribution and, where applicable, the generation of electricity.
 - (d) Domestic waste water and sewage disposal systems.
 - (e) Solid waste disposal sites, in so far as it relates to –
 - (i) the determination of a waste disposal strategy;
 - (ii) the regulation of waste disposal;
 - (iii) the establishment, operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities for more than one local municipality in the district.
 - (f) Municipal roads that form an integral part of a road transport system for the area of the district municipality as a whole.
 - (g) Regulation of passenger transport services.
 - (h) Municipal airports serving the area of the district municipality as a whole.
 - (i) Municipal health services.
 - (j) Firefighting services serving the area of the district municipality as a whole, which includes –
 - (i) planning, coordination and regulation of fire services;
 - (ii) specialised firefighting services such as mountain, veld and chemical fire services;
 - (iii) coordination of the standardisation of infrastructure, vehicles, equipment and procedures;
 - (iv) training of fire officers.
 - (k) The establishment, conduct and control of fresh produce markets and abattoirs serving the area of a major proportion of the municipalities in the district.
 - (l) The establishment, conduct and control of cemeteries and crematoria serving the area of a major proportion of municipalities in the district.

- (m) Promotion of local tourism for the area of the district municipality.
 - (n) Municipal public works relating to any of the above functions or any other functions assigned to the district municipality.
 - (o) The receipt, allocation and, if applicable, the distribution of grants made to the district municipality.
 - (p) The imposition and collection of taxes, levies and duties as related to the above functions or as may be assigned to the district municipality in terms of national legislation.
- (2) A local municipality has the functions and powers referred to in Section 83(1), excluding those functions and powers vested in terms of Subsection (1) of this section in the district municipality in whose area it falls.

APPENDIX E – RECOMMENDATIONS OF THE MUNICIPAL AUDIT PERFORMANCE AND AUDIT COMMITTEE 2020/21

MUNICIPAL PERFORMANCE AND AUDIT COMMITTEE RECOMMENDATIONS		
Date of committee	Committee recommendations during year	Comments
20 October 2020	That a Whistle Blower Policy be developed for the CWDM.	Risk Management should look at the implementation of a Whistle Blower Policy.
26 February 2021	In future a progress report on emerging risks be submitted to the Audit and Performance Committee on a continuous basis.	That it forms part of risk management quarterly report to the Audit and Performance Committee.
17 May 2021	The targets pertaining to the installation of renewable energy be adjusted as not to coincide with the peak season of property owners.	The installation of renewable energy targets adjusted to fall outside peak season.

APPENDIX F – DISCLOSURES OF FINANCIAL INTERESTS

COUNCILLORS OF CAPE WINELANDS DISTRICT MUNICIPALITY

	Title	Initials	Surname	Name	Employee #
1	Mr	W M	BLOM	WILLEM	20059
2	Mrs	MN	BUSHWANA	NOBANTU	20090
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	Mr	D D	JOUBERT	DONAVAN	20087
12	Mr	X	KALIPA	XOLILE	20018
13	Mr	M T	KLAAS	MOSES	20070
14	Mr	J	KRIEL (from 18.9.2020)	JACQUES	20091
15	Miss	L	LANDU	LINDA	20072
16	Mr	S S	MAGQAZANA	SITHEMBISO	20061
17	Mr	Z L	MASOKA	ZOLANI	20086
18	Mrs	C	MEYER	CLARA	20023
19	Mrs	J S	MOUTON	JOHNNEREY	20033
20	Mrs	R S	NALUMANGO	RONALDA	20079
21	Mr	L W	NIEHAUS	LOEKIE	20068
22	Mr	B B	NTSHINGILA	BOY-BOY	20058
23	Mr	E	QHANKQISO	ERNEST	20057
24	Mrs	L N	QOBA	LIZZIE	20025
25	Miss	P C	RAMOKHABI	PALESA	20073
26	Mr	S C	RENS	SAMUEL	20085
27	Miss	L S	SAMBOKWE	LUDIA	20083
28	Mr	N D	SAUERMAN	NICOLAAS	20089
29	Mr	J W	SCHUURMAN	JOHN	20066
30	Mr	A J	SHIBILI	ANDILE	20081
31	Mr	J	SMIT	JOHANNES	20088

	Title	Initials	Surname	Name	Employee #
32	Mr	D R A	SNYDERS	DAVID	20062
33	Mr	C	STEYN	CRAIG	20056
34	Mr	D	SWART	DIRK	20074
35	Mrs	N	TETANA	NOMALUNGISA	20084
36	Mr	J J	VAN ROOYEN	JEAN	20055
37	Mr	J D F	VAN ZYL	JACOBUS	20075
38	Dr	H	VON SCHLICHT	HELENA	20044
39	Mr	W	VROLICK	WILFRED	20077
40	Mr	T M	WEHR (from 27.10.2020)	TORIQUE	20092
41	Mr	C F	WILSKUT	COLIN	20082

Declarations in terms of the MFMA: Supply Chain Management Regulation 45. Awards to close family members of persons in the service of the State.

Councillor's Name	Pay No.	Relation: Self / Parent / Spouse / Child /Other	Name and Position	Name of Entity and Registration Number	Address of Entity / Person	Date when business was established
No submissions received						

Other aspects

SHARES AND SECURITIES IN ANY COMPANY

Councillor Surname & Initials	Nature of financial interest	Number of shares or extent of financial interest	Estimated Value	Name of company	Registration number	Does it do business with the state? If YES, include the institution, value and transaction date
Arangie CJM				Sanlam		
De Klerk G	Ordinary		R18.300.00	Exxaro Resources Ltd		
	Shares		R53.000.00	Kumba Inn ore Limited		
			R45.000.00	Sanlam Limited		
Neethling W	Quilter PLC	121	R3.442.00			
	Old Mutual	365	R4.898.00			
	Sanlam	2358	R5.926.00			
	Brait	2829	R31.379.00			
Rouw W	Ordinary shares	1083	R10.000.00	First World Traders		
Stols H	Retirement Annuity Fund	173.05	R15.588.00	Allan Gray		
Swanepoel J		36	R1.148.00	Woolworths		No
		14	R500.00	Investec		No

MEMBERSHIP OF ANY CLOSE CORPORATIONS

Councillor's Name	Pay No.	Name of Close Corporation	Type of business	Registration number	Details of ownership (i.e. sole member of 50% share etc.)	Remuneration received from membership (per annum)	Does the CC do business with CWDM?	
							YES	NO
Du Plessis J J	20003	Moulin du Plessis cc	Fluting	97/57511/23	Sole	None		
Klaas, Moses	20070	TMNS	N/A	N/A	N/A	NO		
Kriel, Jacques	20091	Trio Kriel / BK	Boerdery	N/A	N/A	N/A		
		Kriel Landboudienste / BK	WORK	N/A	N/A	N/A		
Landu, Linda	20072	Hamba Bhokile	N/A	N/A	100			
Schuurman, John	20066	Well earned trading 62 cc (dormant)	N/A	2002/067593/23	100	NONE		

INTEREST IN ANY TRUSTS

Councillor's Name	Pay No.	Name of Trust	Nature of Interest
Carinus G J	20003	Propco trust	
		Madre Carinus Trust	
Du Plessis, Jacobus	20030	Du Plessis Farm Trust	
		Oude Tol Beleggingstrust	
Kriel, Jacques	20091	Jacques Kriel	

DIRECTORSHIPS

Councillor Surname & Initials	Name of registered company and trading name	Registration number	Type of business <i>(e.g. construction, consultancy, etc.)</i>	Does it do business with the State?	If YES, state income
Carinus, Gideon	Joretha Boerdery	183 D	Rental Agriland	YES	Only a passive rental member
Joubert, Donovan	Shawusa	N/A	Trading union	NO	No income
Klaas, Moses	Amampondoge B.S	N/A	Electrically	NO	
Kriel, Jacques	Trio Kriel / BK	N/A	Boerdery	NO	
	Kriel Landboudienste / BK	N/A	WORK	NO	
Landu, Linda	Hamba Bhekile	N/A	N/A	N/A	
Mouton, Johnnerey	Homebase Trade 83	N/A	N/A	NO	
Von Schlicht, Helena	N/A	Unknown	N90	NO	Unknown
	N/A	Unknown	N91	NO	Unknown
	N/A	Unknown	Economic	YES	Unknown

INTEREST IN ANY PROPERTY

Councillor's Name	Pay No.	Type/description of property (i.e. residential, flat, vacant land, industrial, commercial, etc.)	Area	Physical address or Erf #	Nature of interest (owner, landlord, lessor, etc.)	Is CWDM making use of property?	
						YES	NO
Carinus, G J	20003	Propco trust	Property houses for rent	Propco Trust no.7			
Daniels, Patric	20080	Erven	House	31st Avenue, Wolseley			
Joubert, Donovan	20087	House	N/A	3 Packham			
		House	N/A	25 La Sagra			
Kriel, Jacques	20091	Mataqu	Farm	Derdeheuwel			x
Schuurman, John	20066	Plot	House	34 Long Street			x
		Plot	House	32 Long Street			x
Von Schlicht, Helena	20044	House	4-bedroom house	9 Albertus Street			x

EMPLOYMENT AND REMUNERATION

Councillor's Name	Pay No.	Name of business	Type of business activity	Designation	Remuneration received for such employment	Approval of Council?	Does the organisation do business with CWDM?	
							YES	NO
Davids T		Avon	Sales	Sales Leader	Commission			✓

PENSION

Councillor's Name	Pay No.	Source of the pension (Pension Fund)	Value of the pension
Du Plessis J J	20030	Sanlam	± R2 000/ annum
Kriel, Jaques	20091	Sanlam	R 1 000,00 / month

SUBSIDIES, GRANTS AND SPONSORSHIPS BY ANY ORGANISATION

Councillor's Name	Pay No.	Source of subsidy(s), grant(s) or sponsorship(s)	Description of subsidy(s), grant(s) or sponsorship(s)	Is assistance from a non-party source?		Value of subsidy(s), grant(s) or sponsorship(s) (per annum)
				YES	NO	
Joubert, Donovan		Food	Unknown	✓		Unknown

3. Disclosure of benefits

Councillor's Name	Pay No.	Relationship	Associate	Third party that connects them
No submissions received				

APPENDIX G (I) – REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

REVENUE COLLECTION PERFORMANCE BY VOTE						
Vote Description	2019/20	2020/21			2020/21 Variance	
	Actual	Original Budget	Final Budget	Actual	Original Budget	Adjustment Budget
Budget And Treasury Office	-280,000	0	0	0	0%	0%
Buildings: Maintenance	-233,279	-135,000	-244,000	-251,559	-86%	-3%
Disaster Management	-1,989,849	-2,100,000	-2,429,151	-2,134,550	-2%	12%
Expenditure	-229,775,293	-235,979,000	-236,433,000	-236,433,716	0%	0%
Finance Management	-668	-800	-800	0	100%	100%
Financial Management Grant	-1,000,000	-1,000,000	-1,000,000	-1,000,000	0%	0%
Fire Services	-111,143	-200,000	-1,166,000	-194,644	3%	83%
Human Resources Management	-806,719	-690,000	-777,560	380,868	155%	149%
Municipal Health Services	-647,865	-250,000	-653,000	-669,682	-168%	-3%
Roads: Main Div / Indirect	-107,854,343	-117,655,000	-117,496,900	-106,257,810	10%	10%
Roads: Plant	-136,237	-1,733,100	-320,504	-213,558	88%	33%
Procurement	-22,995	-100,000	-50,000	-765	99%	98%
Projects and Housing	-2,571,131	-5,429,190	-5,446,430	-2,504,724	54%	54%
Public Transport Regulation	-812,452	-900,000	-1,775,250	-952,795	-6%	46%
Social Development	-45,113	-75,000	-177,887	-8,760	0%	95%
Sundry Expenditure of the Council	-68,845,541	-69,610,861	-48,120,861	-50,468,758	27%	-5%
Tourism	0	-50,000	0	0	100%	0%

APPENDIX G (II) – REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						
Description	2019/20	2020/21			2020/21 Variance	
	Actual	Approved Budget	Final 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	111,143	120,000.00	120,000.00	194,644	-62%	-62%
Rental of facilities and equipment	229,975	240,000.00	240,000.00	238,615.18	1%	1%
Interest earned – external investments	55,405,905	35,000,000	35,000,000	38,231,810	-9%	-9%
Interest earned – outstanding debtors	-	-	-	-		
Dividends received	-	-	-	-		
Fines	-	-	-	-	0%	#DIV/0!
Licences and permits	647865.24	250,000.00	600,000.00	669,681.57	-168%	-12%
Agency services	106,276,009	116,239,175	116,009,375	105,825,728	9%	9%
Transfers recognised – operational	239,156,653	250,972,288	250,989,528	245,614,284	2%	2%
Other income	860,086	1,414,690	1,047,450	546,436	61%	48%
Total Revenue						
(Excluding capital transfers and contributions)	402,687,636	404,236,153	404,006,353	391,321,199	3%	3%

APPENDIX H – CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

CONDITIONAL GRANTS: EXCLUDING MIG					
R'000					
Details	Original Budget	Final Budget	Actual	% Variance	
				Budget	Adjustment Budget
EPWP incentive	1,503	1,503	1,503	0	0
Local Government Financial Management Grant	1,000	1,000	1,000	0	0
Western Cape Financial Management Support Grant	0	0	0	0	0
Integrated Transport Plan	900	1,775	953	-6	46
Rural Roads Asset Management System	2,711	2,711	0	100	100
Community Development Workers	75	178	9	88	100
Western Cape Financial Capacity Building Grant	401	300	0	100	100
Municipal Service Delivery & Capacity Building (Local Gov.)	0	0	0	0	0
Local Government Graduate Internship Grant	0	160	128	100	20
Safety Plan Implementation - WOSA	2,100	2,429	2,135	-2	12
Fire Services Capacity Building Grant	0	1,046	0		
Total	8,690	11,102	5,728	34	48
					TL