



CAPE WINELANDS DISTRICT
MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

ANNUAL REPORT

2021 - 2022



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ABBREVIATIONS

Abbreviation	Description
AEL	Atmospheric Emission Licence
Aids	Acquired immune deficiency syndrome
AQMP	Air Quality Management Plan
AQO	Air Quality Officer
CAE	Chief Audit Executive
CSD	Central Supplier Database
CWDM	Cape Winelands District Municipality
CWDMC	Cape Winelands Disaster Management Centre
CW-RSEDS	Cape Winelands Regional Socio-Economic Development Strategy
EEM	Employee Efficiency Monitoring
EPWP	Expanded Public Works Programme
ERM	Enterprise Risk Management
FARMCO	Fraud and Risk Management Committee
GRAP	Generally Recognised Accounting Practice
HIV	Human Immunodeficiency Virus
IDRRR	International Day for Risk Reduction
IDP	Integrated Development Plan
IT	Information Technology
JOC	Joint Operations Centre
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 organisation
PGWC	Provincial Government of the Western Cape

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

Map of Cape Winelands District



CHAPTER 1

1.1 EXECUTIVE MAYOR'S FOREWORD



Dear Reader

After more than two years of unprecedented times, it seems as if life is back to normal, but we cannot just focus on business as usual. South Africans were tenacious and resilient during an extremely difficult time and we are therefore confident that we can rewire, rethink and make bold decisions to set our sails to serve our communities. With that being said, the demands on us as a municipality are greater than ever before. We must shift our focus to economic growth and find sustainable measures to ensure that all citizens in the Cape Winelands District can live a life of value. The damage caused by the pandemic is significant and the resources at our disposal to address this challenge are currently not sufficient. South Africans further struggle with the ever-growing cost of living and the shadow pandemic of hunger and unemployment.

Keeping the aforementioned in mind, the Cape Winelands District Municipality must contribute as effectively and efficiently at a sustainable level as possible and, of course, within our mandated functions and the guidelines of the Constitution, to create an environment suitable for economic growth.

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

- Achievement of an eighth consecutive Clean Audit opinion from the Auditor-General South Africa;
- The Fire Services attended to a total of **1 549 calls** from 1 July 2021 to the period ending June 2022.
- 2550,63 hectares of alien vegetation were cleared through our various projects with more than 440 job opportunities created;
- More than 3 600 kilometres of roads were maintained;
- The regional landfill site for the Breede Valley, Witzenberg and Langeberg municipalities is in progress;
- Upskilling our communities: 42 SMMEs and 10 small farmers/groupings had access to training in various financial and business management practices and 332 in tourism and disaster management training
- Sound financial position in terms of both solvency and liquidity ratio at year-end; and
- 12 348 work opportunities were created.

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

Going forward, my vision and plan for the municipality are perfectly encapsulated in the strategic goals of the Cape Winelands District Municipality, which will focus on job creation and economic

growth, addressing safety needs in our district, and re-imagining our infrastructure. Poverty relief, humanitarian relief and the wellness of all our citizens will remain priorities in our package of services through innovation, intergovernmental cooperation, a working Joint District and Metro Approach (JDMA) and a Whole of Society Approach (WOSA) as part of our commitment to enhance economic growth through ensuring social and economic development of all communities.

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



ALD (DR) HELENA VON SCHLICHT
EXECUTIVE MAYOR

DRAFT

1.2 MUNICIPAL MANAGER'S FOREWORD

TO BE UPDATED AT A LATER STAGE

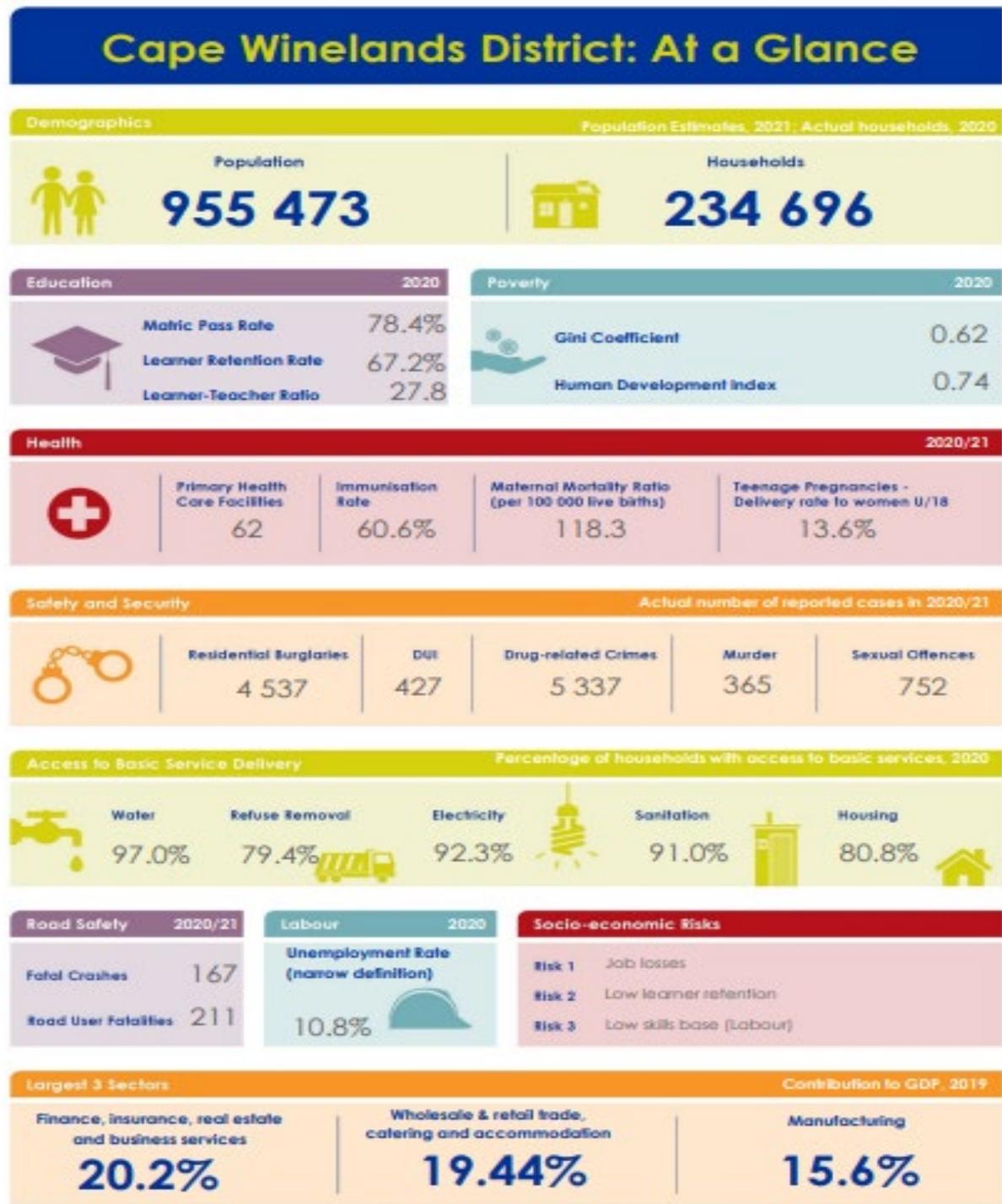
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1.3 HIGHLIGHTS FOR THE 2021/2022 FINANCIAL YEAR – SERVICE DELIVERY

TO BE UPDATED AT A LATER STAGE

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1.4 MUNICIPAL DEMOGRAPHICS: AN OVERVIEW



1.5 MUNICIPAL OVERVIEW – FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

FINANCIAL OVERVIEW – 2021/2022			
R'000			
Details	Approved Budget	Final Budget	Actual
Income			
Grants	258.641.529	258.651.117	253.288.927
Taxes, levies and tariffs	-	-	-
Other	160.325.666	160.316.078	146.628.949
Subtotal	418.967.195	418.967.195	399.917.876
Less expenditure	-420.175.340	-420.175.340	-370.239.535
Transfers and subsidies – capital (monetary allocations) (national/provincial and district)	1.208.145	1.208.145	51.137
Transfers and subsidies – capital (in-kind)	-	-	929.080
Net total	-	-	30.658.557

1.6 MUNICIPAL OVERVIEW – ORGANISATIONAL DEVELOPMENT

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

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

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

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

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

CHAPTER 2 – GOVERNANCE

COMPONENT A: INTRODUCTION TO GOVERNANCE

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

POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

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

Section 79 Committees of the CWDM consist of the following:

- Rules Committee; and
- Municipal Public Accounts Committee.

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

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

- Training Committee; and
- Local Labour Forum.

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

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

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

AUDIT 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 and Performance Committee also investigates matters within the scope of the committee's duties, if referred by Council.

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

POLITICAL STRUCTURE



Ald (Dr) H von Schlicht
Executive Mayor



Ald M Sampson
Executive Deputy Mayor



Ald DD Joubert
Speaker



Cllr JHP Steyn
Portfolio Holder:
Economic Development



Cllr D Swart
Portfolio Holder:
Sport, Arts and Culture



Ald C Meyer
Portfolio Holder:
Disaster Management



Cllr XL Mdemka
Portfolio Holder:
Municipal Health



Ald R Farao
Portfolio Holder:
Fire Services



Cllr WC Petersen
Portfolio Holder:
Rural and Social Development



Cllr E Groenewald
Portfolio Holder:
Corporate Services



Cllr GJ Carinus
Portfolio Holder:
Infrastructure Services



Cllr WM Blom
Whip of Council

COUNCILLORS

1 JULY 2021 TO 30 JUNE 2022

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

Attached as Appendix A is a full list of Councillors.

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

POLITICAL DECISION MAKING

1 JULY 2021 TO 30 JUNE 2022

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

ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

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

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

The Municipal Manager identified the following focus areas:

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

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



Mr F van Eck
Executive Director:
Technical Services



Ms FA du Raan-Groenewald
Chief Financial Officer

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO COOPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

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

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

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

INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

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

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

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

PROVINCIAL INTERGOVERNMENTAL STRUCTURES

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

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

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

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

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

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

- Posted public invitations on various social media platforms such as Facebook.
- 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 Mayoral Business Cocktail – 8 June 2022 – Infrastructure.

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

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

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

ANTI-CORRUPTION AND FRAUD

Fraud and Anti-Corruption Strategy

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

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

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

SUPPLY CHAIN MANAGEMENT

Overview of Supply Chain Management (SCM)

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

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

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

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

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

COMMENT ON BY-LAWS

No new by-laws were promulgated.

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

3.1 INTRODUCTION

3.1.1 Predetermined objectives

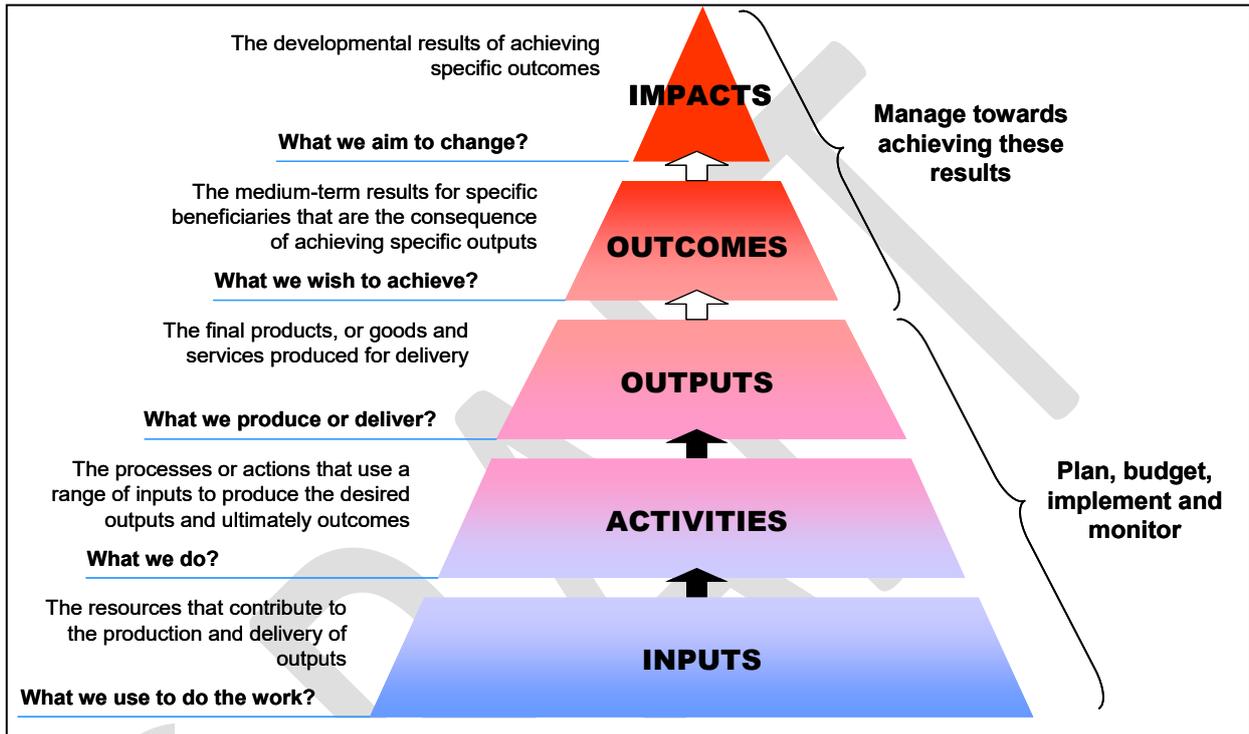
As a point of departure, it is the duty of a municipality to establish, develop, and maintain a sound performance management system as prescribed in terms of sections 38 to 40 of the Municipal Systems Act (Act No. 32 of 2000) (MSA). In terms of section 46(1)(a) to (c) of the MSA, a municipality must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

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

No.	Strategic Objective	No.	Predetermined Objectives
1.	Creating an environment and forging partnerships that ensure social and economic development of all communities, including the empowerment of the poor in the Cape Winelands District.	1.1	Provide a comprehensive and equitable MHS including AQM throughout the CWDM.
		1.2	Ensure coordination of multidisciplinary and sectoral disaster risk reduction through integrated institutional capacity for Disaster Risk Management, Disaster Risk Assessment and Response and Recovery.
		1.3	Effective planning and coordination of specialised firefighting services throughout the CWDM.
		1.4	To facilitate environmentally sustainable economic development planning through the development and maintenance of strategic partnerships, investment attraction, retention and opportunities, SMME support and development, skills development and information management.
		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 agency function agreement.
		2.2	To implement sustainable infrastructure services.
		2.3	To increase levels of mobility in the Cape Winelands District.
		2.4	To improve infrastructure services for rural dwellers.
		2.5	To implement an effective ICT support system.
3.	Providing effective and efficient financial and strategic support services to the CWDM.	3.1	To facilitate and enhance sound financial support services.
		3.2	To strengthen and promote participative and accountable IGR and governance.
		3.3	To facilitate and enhance sound strategic support services.

3.1.2 Framework for managing performance information: Key concepts

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



3.1.3 Planning, budgeting and reporting

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

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

3.1.4 Financial performance per strategic objective

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

Operating Budget					
SO	2020/2021 Budget	2020/2021 Actual	2021/2022 Budget	2021/2022 Actual	2022/2023 Budget
1	R 144 484 749	R 125 464 859	R 146 427 164	R 132 132 889	R 148 276 149
2	R 160 064 082	R 134 803 721	R 147 603 662	R 134 524 487	R 157 359 048
3	R 111 542 512	R 114 416 647	R 126 144 514	R 101 238 036	R 121 444 383
Total	R 416 091 343	R 374 685 226	R 420 175 340	R 367 895 413	R 427 079 580

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Capital Budget					
SO	2020/2021 Budget	2020/2021 Actual	2021/2022 Budget	2021/2022 Actual	2022/2023 Budget
1	R 2 106 701	R 633 206	R 6 919 827	R 661 316	R 36 802 000
2	R 4 834 622	R 3 493 392	R 6 261 555	R 668 107	R 78 407 900
3	R 1 631 686	R 1 395 953	R 2 325 597	R 516 778	R 8 973 500
Total	R 8 573 009	R 5 522 550	R 15 506 979	R 1 846 201	R 124 183 400

Project Budget					
SO	2020/2021 Budget	2020/2021 Actual	2021/2022 Budget	2021/2022 Actual	2022/2023 Budget
1	R 14 111 572	R 11 751 454	R 13 946 138	R 12 637 071	R 15 996 987
2	R 5 000 .000	R 3 745 071	R 3 335 500	R 1 304 276	R 8 620 000
3	R -	R -	R -	R -	R -
Total	R 19 111 572	R 15 496 525	R 17 281 638	R 13 941 347	R 24 616 987

3.2 SUMMARY OF CAPE WINELANDS ORGANISATIONAL KEY PERFORMANCE INDICATORS

2020/2021

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

2021/2022

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

3.2.1 Cape Winelands District Organisational Key Performance Indicators

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

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

3.2.2 Cape Winelands District Detailed Organisational Key Performance Indicators

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

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

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

CWDM PDO	PDO no.	Outcome Indicator	KPI no.	Key Performance Indicator	2020/2021 Target	2020/2021 Actual	2021/2022 Annual Target and Performance		
							Annual Target	Annual Actual	Comments
1.1	1.1.1	To administer an effective environmental health management system in order to achieve the set environmental health objectives.	1.1.1.1	Monthly Report to WCG on all MHS matters by the 15th of the following month (Sinjani report).	12	12	-	-	
				Monthly Report to WCG on all MHS matters by the 15th of the following month (Sinjani report).	-	-	12	12	Target achieved
	1.1.2	To facilitate effective environmental pollution control through identification, evaluation and/or monitoring to prevent air pollution.	1.1.2.1	Submission of the annual Air Quality Officer Report to WCG.	1	1	-	-	
				Submission of the annual Air Quality Officer Report to WCG.	-	-	1	1	Target achieved
	1.1.3	To improve the livelihoods of citizens in the Cape Winelands District.	1.1.3.1	Number of water and/or sanitation subsidies granted to citizens in the Cape Winelands District.	21	23	20	15	Target underachieved. Despite an adequate number of applications received and approved as per 17(3)(j) list, not all approved subsidies were claimed as landowners did not conclude upgrades and did not submit subsidy claims for payment. Subsidy claims and payments are subject to landowners completing upgrades. Due to financial strains brought about by the Covid-19 pandemic, landowners did not commit to the completion of these water and sanitation upgrades. To rectify the process, more follow up calls will be made and we will attempt to do reallocation earlier to landowners who will be in a position to install additional units.
	1.2	1.2.1	To coordinate an effective disaster management division in order to achieve the disaster management objectives set.	1.2.1.1	Number of biannual Disaster Management Advisory Forums held.	2	2	2	2
1.3	1.3.1	Effective planning and coordination of specialised firefighting services.	1.3.1.1	Pre-fire season and post-fire season reports submitted to Council for consideration for approval.	2	2	2	2	Target achieved
	1.3.2	Build firefighting capacity.	1.3.2.1	Number of the officials trained by the CWDM Fire Services Academy.	20	60	-	-	
Build firefighting capacity.	Number of the officials trained by the CWDM Fire Services Academy.	-		-	20	22	Target overachieved. More officials registered than anticipated.		
1.4	1.4.1	To fulfil a coordinating role in terms of town and regional planning within the Cape Winelands District.	1.4.1.1	Annual review of CWDM's SDF, submitted to Council for consideration for approval.	0	0	1	1	Target achieved
	1.4.2	Implement environmental management activities to achieve environmental sustainability.	1.4.2.1	Number of hectares cleared through the EPWP Invasive Alien Vegetation Management Project.	1 650	1 702	2 550	2 550.63	Target overachieved.

									The bulk of the sites that were prioritised for the financial year was 'follow-up' project sites. Follow-up project sites cost less to clear and are larger in hectares. Follow-up project sites are a consolidation of initial project sites. The initial clearing, which is more expensive and deals with adult vegetation, was done in the previous financial years.
1.4.3	To fulfil a coordination role in terms of Economic and Tourism Development within the Cape Winelands District.	1.4.3.1	Number of LTA Forums coordinated by the CWDM.	4	5	4	4	Target achieved	
		1.4.3.2	Number of LED Forum meetings coordinated by the CWDM.	2	4	-	-		
			Number of LED Forums coordinated by the CWDM.	-	-	4	4	Target achieved	
1.5	To improve the livelihoods of citizens in the Cape Winelands District.	1.5.1.1	Number of ECD centres supported by the CWDM.	30	27	40	40	Target achieved	
		1.5.1.2	Number of youth who complete the skills development project.	15	19	--	-		
			Number of youths who complete the skills development project.	-	-	11	11	Target achieved	

Strategic Objective Two: Promoting sustainable infrastructure services and a transport system that fosters social and economic opportunities									
CWDM PDO	PDO no.	Outcome Indicator	KPI no.	Key Performance Indicator	2020/2021 Target	2020/2021 Actual	2021/2022 Annual Target and Performance		
							Annual Target	Annual Actual	Comments
2.1	2.1.1	Roll-out and implementation of the maintenance function and activities for proclaimed roads as an agent on behalf of the Western Cape Department of Transport and Public Works.	2.1.1.1	Conclude the annual MOA or addendum with WCG.	1	1	1	1	Target achieved
			2.1.1.2	Kilometres of roads re-sealed.	-	-	-	-	
			2.1.1.3	Kilometres of roads bladed.	4 200	5 994.16	5 000	5 466.70	Target overachieved. Increased production to satisfy requests from the public.
			2.1.1.4	Kilometres of roads re-gravelled.	6	4	12	16.28	Target overachieved. Increased production to complete the Toontjiesrivier Road.
2.2	2.2.1	Coordinate and improve the planning of infrastructure services in the Cape Winelands District.	2.2.1.1	Annual review, and alignment with review outcome, of the IWMP and submit to Council for consideration for approval.	1	0	1	1	Target achieved

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	2020/2021 Target	2020/2021 Actual	2021/2022 Annual Target and Performance		
							Annual Target	Annual Actual	Comments
2.3	2.3.1	Improve pedestrian safety throughout the Cape Winelands District.	2.3.1.1	Annual review, and alignment with review outcome of the DITP and submit to Council for consideration for approval.	1	1	0	0	Target adjusted to 0 during the Adjustment Budget in February 2022.
			2.3.1.2	Number of sidewalks and/or embayments and/or bus shelters completed or upgraded.	0	0	0	0	Target adjusted to 0 during the Adjustment Budget in February 2022.
2.4	2.4.1	To improve infrastructure services for citizens in the Cape Winelands District.	2.4.1.1	Percentage of project budget spent on rural projects.	90%	77.10%	90%	29.40%	Target underachieved. The underspending is due to the Constitutional Court ruling on 16 February 2022 concerning the validity of the Preferential Procurement Regulations, 2017 ('Procurement Regulations' as referred to in the judgement) and concomitant uncertainty thereof. The acquisition process continued, and procurement will occur in the next financial year.
			2.4.2.1	Number of schools assisted with ablution facilities and/or improved water supply.	2	3	2	0	Target underachieved. The underspending is due to the Constitutional Court ruling on 16 February 2022 concerning the validity of the Preferential Procurement Regulations, 2017 ('Procurement Regulations' as referred to in the judgement) and concomitant uncertainty thereof. The acquisition process continued, and procurement will occur in the next financial year.
	2.4.2	To improve the livelihoods of citizens in the Cape Winelands District.	2.4.2.2	Number of solar geysers installed.	120	120	200	152	Target underachieved. Underperformed due to the fact that landowners did not perform as anticipated. To rectify the process, more follow-up calls will be made and we will attempt to do reallocation earlier to landowners who will be in a position to install additional units.
			2.4.2.3	Number of sports facilities upgraded or completed and/or supplied with equipment.	7	6	2	0	Target underachieved. The underspending is due to the Constitutional Court ruling on 16 February 2022, concerning the validity of the Preferential Procurement Regulations, 2017

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	2020/2021 Target	2020/2021 Actual	2021/2022 Annual Target and Performance		
							Annual Target	Annual Actual	Comments
									('Procurement Regulations' as referred to in the judgement) and concomitant uncertainty thereof. The acquisition process continued, and procurement will occur in the next financial year.
2.5	2.5.1	To improve ICT governance in the Cape Winelands District Municipality.	2.5.1.1	Annual review, and alignment with review outcome, of the ICT Governance Framework and/or the ICT Strategic Plan and submit to Council for consideration for approval.	1	1	-	-	
		To improve ICT governance in the Cape Winelands District.		Annual review, and alignment with review outcome, of the ICT Governance Framework and/or the ICT Strategic Plan and submit to Council for consideration for approval.	-	-	1	1	Target achieved

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

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

Strategic Objective Three: Providing effective and efficient financial and strategic support services to the Cape Winelands District Municipality.									
CWDM PDO	PDO no.	Outcome Indicator	KPI no.	Key Performance Indicator	2020/2021 Target	2020/2021 Actual	2021/2022 Annual Target and Performance		
							Annual Target	Annual Actual	Comments
			3.1.4.4	Maintain a sound Level of Cash Backed Reserves Ratio as at financial year-end.	-	-	100%	955%	Target overachieved. The municipality's investments increased due to lower than anticipated expenditure over the financial year, which also led to an increase in the accumulated surplus. Expenditure and liabilities relating to post-employment benefits will be updated after the actuarial valuation from the actuaries.
			3.1.4.5	Maintain a sound Net Operating Surplus Margin Ratio as at financial year-end.	-	-	0%	10%	Target overachieved. The variance is since the actual expenditure is lower than the anticipated expenditure for the financial year.
			3.1.4.6	Maintain a sound Creditors Payment Period Ratio as at financial year-end.	-	-	30 days	15 days	Target overachieved. As per section 65(2)(e), all money owing by the municipality must be paid within 30 days of receiving the relevant invoice or statement.
3.2	3.2.1	To coordinate functional statutory and other committees.	3.2.1.1	Number of Council meetings that are supported administratively.	7	10	7	11	Target overachieved. Various legislative requirements necessitated Council meetings such as the approval of Budget Time Schedule, IDP and to reconstitute newly elected Council.
			3.2.1.2	Number of MAYCO meetings that are supported administratively	9	12	9	9	Target achieved
3.3	3.3.1	To capacitate a skilled and competent workforce in order to realise organisational SOs.	3.3.1.1	Number of WSP submissions to the LGSETA.	1	1	1	1	Target achieved
			3.3.1.2	The percentage of CWDM's training budget actually spent on implementing its WSP.	75%	72%	90%	70%	Target underachieved. Training was postponed due to operational reasons. A more proactive approach will be taken in respect of finalising SCM matters and a more conservative approach will be taken in terms of target setting, going forward

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

CWDM PDO	PDO no.	Outcome Indicator	KPI no.	Key Performance Indicator	2020/2021 Target	2020/2021 Actual	2021/2022 Annual Target and Performance		
							Annual Target	Annual Actual	Comments
	3.3.2	Facilitate an administrative function in so far as it relates to labour relations.	3.3.2.1	Number of Employment Equity Report submissions to the Department of Labour.	1	1	1	1	Target achieved
	3.3.3	To manage the capital funds spent in relation to the receipt thereof for improved service delivery.	3.3.3.1	The percentage of the municipality's capital budget actually spent by the end of the financial year.	80%	64%	-	-	
				The percentage of CWDM's capital budget actually spent by the end of the financial year.	-	-	80%	20.21%	Target underachieved. The underspending is due to the Constitutional Court ruling on 16 February 2022 concerning the validity of the Preferential Procurement Regulations, 2017 ('Procurement Regulations' as referred to in the judgement) and concomitant uncertainty thereof. The acquisition of large capital items was either cancelled due to non-adherence with local content requirements and substituted with planned acquisitions for which appropriations were made in the year's budget; or deferred to the next financial year for which the demand/acquisition process continued.
	3.3.4	To promote a corruption-free CWDM.	3.3.4.1	Establishment of an externally managed corruption hotline.	1	0	0	0	Target was adjusted during the Adjustment Budget in February 2022.
	3.3.5	To 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	14 968	-	-	
		To transform the workforce of the CWDM in terms of representation.		Number of people from employment equity target groups employed at the 3 highest levels of management in compliance with CWDM's approved Employment Equity Plan.	-	-	90% of appointments	80% of appointments	Target almost achieved. Four positions became vacant in this financial year. Three were filled with officials from the employment equity target groups. The last position (classified as a scarce skill), that of Deputy Director of Roads Resealing and Maintenance, was filled on 01 July 2021, with a person from outside the employment equity target groups. The CWDM will strive to the best of its ability to make appointments in line with the approved EE Plan, if

Strategic Objective Three: Providing effective and efficient financial and strategic support services to the Cape Winelands District Municipality.									
CWDM PDO	PDO no.	Outcome Indicator	KPI no.	Key Performance Indicator	2020/2021 Target	2020/2021 Actual	2021/2022 Annual Target and Performance		
							Annual Target	Annual Actual	Comments
									circumstances allow for it. However, cognisance must be taken that registered ECSA Engineers are a very scarce and critical occupation and the attraction of candidates from designated groups is not always possible. The Revised Succession Planning and Career Pathing Policy and Revised Mentoring and Coaching Policy will assist to put procedures and programmes in place to address these challenges.
	3.3.6	To transform the workforce of the CWDM in terms of representation.	3.3.6.1	Number of people from employment equity target groups employed at the 3 highest levels of management in compliance with CWDM's approved Employment Equity Plan.	90% of appointments	75% of appointments	-	-	
		To improve the livelihoods of citizens in the CWDM area.		Number of work opportunities created (in person days) through CWDM's various initiatives.	-	-	7 500	12 348	Target overachieved. Contractors made use of more laborers to complete projects.
	3.3.7	To improve intergovernmental relations within the district as with other districts.	3.3.7.1	Improve intergovernmental relations within the district as well as with other districts by initiating and participating in the DCF Tech, DCF, JDA, Cabinet and Joint District meetings	14	24	-	-	
3.3				Improve intergovernmental relations within the district as well as with other districts by initiating and participating in the DCF and JDMA meetings.	-	-	6	10	Target overachieved. More meetings were held than anticipated.

3.3 NATIONAL KEY PERFORMANCE AREAS 2021/2022

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

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

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

KPA 1: Service Delivery and Infrastructure Development			
Roads	Unit	2020/2021	2021/2022
Kilometres of road responsible for (provincial deproclamation and maintenance contracts)	Kilometre	3 601	3 601
Kilometres of roads maintained and rehabilitated (provincial deproclamation and maintenance contracts)	Kilometre	3 601	3 601
Total amount of operating budget allocated to road maintenance	Rand	R 119 384 282	R 109 352 941
Total amount of operating budget spent on road maintenance	Rand	R 102 801 241	R 106 983 389
KPA 2: Local Economic Development			
Economic growth	Unit	2020/2021	2021/2022
Total rand value of procurement transactions	Rand	R 92 379 513	R 88 891 618
Total rand value of contracts awarded to SMMEs	Rand	R 90 101 784	R 85 939 240
Total rand value of contracts awarded to BEE suppliers	Rand	R 50 507 779	R 52 832 590
Total rand value of contracts awarded to women	Rand	R 23 238 310	R 20 640 438
Total rand value of contracts awarded to youth	Rand	R 7 199 141	R 4 943 517
KPA 3: Municipal Financial Viability and Management			
Financial viability	Unit	2020/2021	2021/2022
Total operating transfers (grant and subsidy income)	Rand	R 245 614 284	R 253 823 959
Total operating expenditure	Rand	R 363 821 108	R 355 910 806
Capital budget spend in year	Rand	R 5 522 550	R1 846 201
Council-approved capital budget in year	Rand	R 8 573 009	R15 506 979
Total outstanding customer debt as at 30 June	Rand	R 60 986	R124 751
Current assets as at 30 June	Rand	R 792 985 308	R 822 048 862
Current liabilities as at 30 June	Rand	R 48 386 128	R 38 009 638
Total revenue	Rand	R 390 528 404	R 388 882 443
Revenue from grants	Rand	R 245 597 044	R 252 894 879

Debt service payments (finance charges)	Rand	R 0	R 0
Salaries budget (including benefits)	Rand	R 230 900 525	R 230 957 982
Total operating budget	Rand	R 416 091 343	R 420 175 340
Municipal systems improvement grant (MSIG)	Rand	R 0	R 0
Amount of this allocation utilised	Rand	R 0	R 0
Municipal infrastructure grant allocation	Rand	R 0	R 0
Amount of this allocation utilised	Rand	R 0	R 0

KPA 4: Municipal Transformation and Organisational Development

Organisational design and capacity	Unit	2020/2021	2021/2022
Number of posts on the organogram as at 30 June	Number	493	491
Number of posts on the organogram that were filled as at 30 June	Number	414	402
Total number of staff employed at the municipality as at 30 June	Number	459	436
Total number of Section 57 staff employed at the municipality as at 30 June	Number	4	4
Section 57 posts vacant for more than 3 months in the financial year ending 30 June	Number	0	0
Percentage of municipality's budget spent on implementing its workplace skills plan	Percentage	0.13%	0.18%
Employment equity	Unit	2020/2021	2021/2022
Number of Section 57 staff who were classified as Black (African, Indian and coloured) as at 30 June	Number	3	3
Number of Section 57 staff who were women as at 30 June	Number	1	1
Number of staff (out of total number of staff) at the municipality who were women as at 30 June	Number	169	162
Number of staff (out of total number of staff) at the municipality who were classified as disabled as at 30 June	Number	9	9

KPA 5: Good Governance and Public Participation

Council meetings	Unit	2020/2021	2021/2022
How many Council meetings were held in the financial year?	Number	10	10
How many open Council meetings were held in the financial year?	Number	10	10
Corporate governance	Unit	2020/2021	2021/2022
Number of Section 57 staff dismissed	Number	0	0
Number of Section 57 staff suspended	Number	0	0
Number of Section 57 staff resigned	Number	0	0

3.4 PERFORMANCE IMPROVEMENT MEASURES

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

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

3.4.1 PMS Audit Focus for 2021/2022

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

- Quarter 1: The review was not performed due to capacity constraints in the Internal Audit Unit.
- Quarter 2: Review of the municipality's compliance with the Municipal Systems Act in respect of organisational performance management.
Review the usefulness of key performance indicators and the reliability of reported performance information.
- Quarter 3: Review the usefulness of key performance indicators and the reliability of reported performance information.
Review of the municipality's compliance with the Municipal Systems Act in respect of organisational performance management.
Review the supporting documentation to verify that it supports the actual information.
Review whether output is evidence in terms of completeness, accuracy, and validity for related key performance indicators.
Ensure that the actual information falls within the correct reporting period.
- Quarter 4: The review was performed in Quarter 1 of the 2022/2023 financial year.

3.5 SUPPLIER PERFORMANCE

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

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

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

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

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

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

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

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

3.5.1 Quality of performance

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

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

3.6 AUDITOR-GENERAL OUTCOMES FOR 2021/2022

During the last eight years (2013/2014; 2014/2015; 2015/2016; 2016/2017; 2017/2018; 2018/2019; 2019/2020 and 2020/2021), the municipality received clean audits. For the 2020/2021 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 (2020/2021)	Movement in status	Status of prior year (2020/2021)	Movement in status	Status of prior year (2020/2021)	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 recordkeeping	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	Improvement required	Unchanged	Improvement required	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	Not applicable
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

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

WASTEWATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

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

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL

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

ELECTRICITY

INTRODUCTION TO ELECTRICITY



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

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL

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

WASTE MANAGEMENT

INTRODUCTION TO WASTE MANAGEMENT

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

COMMENT ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL

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

COMPONENT B: ROADS SERVICES



INTRODUCTION TO ROAD TRANSPORT

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

ROADS SERVICES

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

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

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

The Agency Agreement with the WCG: DT&PW stipulates what is expected of the CWDM. The emphasis of CWDM Roads is on road maintenance activities to assist the WCG with their important task of preserving their existing upgraded 6 485 km of surfaced provincial road network asset in the Province. The biggest challenge is the shortfall in allocated funding versus funding required to attend

to all the identified technical maintenance, resealing, re-gravelling, rehabilitation and reconstruction needs as reflected on the annually updated road and bridge infrastructure management systems.

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

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

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

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

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

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

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

Budget Item	Original Budget	Adjustment budget	Actual Spending
Roads: Main & Divisional Indirect	92.037.460.00	80.231.725.00	78.248.081.28
Roads: Workshop	10.898.612.00	9.287.820.00	8.841.633.42
Roads: Management	8.958.889.00	9.239.412.00	8.877.611.08
Roads: Plant	9.755.687.00	10.593.984.00	11.937.120.85
Total	121.650.648.00	109.352.941.00	107.904.446.63

PUBLIC TRANSPORT

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

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

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

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

Transport Month event

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

Aim of Transport Month

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

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



Transport Month group photo - Robertson



Handover of safety promotion items to pedestrian



Commuter interview regarding her safety



Councillor Carinus engaging with taxi commuters



Councillor Carinus with taxi operators



Councillor Carinus engaging with elderly commuter

CWDM encourages personal safety on public transport

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

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



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

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



June 2022 Imbizo article for Transport Month events held.

COMMENT ON THE OVERALL PERFORMANCE OF TRANSPORT

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

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

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

DRAFT

COMPONENT C: COMMUNITY DEVELOPMENT AND PLANNING SERVICES

Departmental Introduction

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

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

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

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

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

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

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

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

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

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

The functions of Disaster Management include:

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

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

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

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

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

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

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

#CWDMonTheMove







COMMUNITY DEVELOPMENT AND PLANNING SERVICES IN NUMBERS

Our REACH in communities

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



Helping to TRAIN and SKILL our communities

BUSINESS TRAINING AND MENTORSHIP

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

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

TOURISM TRAINING

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

DISASTER MANAGEMENT TRAINING

- 15 people were trained in GIS

CAPE WINELANDS FIRE AND RESCUE ACADEMY TRAINING

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

Our reach in communities in SUPPORT of Tourism

Local Tourism Association Development Projects

- 16 petrol attendants were trained in Tourism Awareness in Breedekloof area
- 30 social media training in Breedekloof area
- 40 front office personnel trained in Breedekloof area
- 12 waiters and housekeepers trained in Customer Care in McGregor
- 20 tourism SMME businesses supported with social media training, public speaking and press release writing courses in Montagu
- 10 petrol attendants and front office staff trained in educationals in Tulbagh
- Development of the Touwsriver tourism office as tourism product servicing the Touwsriver community
- 20 youth from Stellenbosch trained for Idas Valley Community trails project
- 20 tourism entrepreneurs from Dwarsriver Valley trained in entrepreneurship workshop
- 20 matriculants trained in Youth Tourism Skills development in Franschoek and 5 petrol attendants taken on a tourism products educational
- 5 culture and nature guides from Mbekweni, Drakenstein trained

Township Tourism and Route Development

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

Other local economic interventions in the Tourism Sector:

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

Our REACH in communities through sports and recreation

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

CARING for our environment

ENVIRONMENTAL MANAGEMENT

Natural resource management programmes

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

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

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

PROTECTING our communities			
TRAINING PROVIDED	NUMBER OF SESSIONS	NUMBER OF PEOPLE TRAINED/ REACHED	RELATED EDUCATIONAL MATERIAL DISSEMINATED
Duties of the food handler	15	140	
Standard requirements for Food Premises, 5 Keys to Safer Food, Hygiene Requirements for Wine Cellars	6	241	13
Do's and Don'ts for Spaza Shops & Informal Food Preparation			15 pamphlets
Safe drinking water and cleaning of water tanks	3	4	
Health & Hygiene: Water & Sanitation Subsidy Programme	64	3582	
Personal Hygiene	11	439	26 posters
Early Childhood Development Centres	2	4	
Handwashing	14	706	131 posters
Covid-19 educational awareness material disseminated			2 113
Covid-19 awareness: Distribution of cloth masks		10 000	
Covid-19: Bars of soap		1 500	
Risk Assessment Workshops	29		
Water safety training	172	29 852	
Disaster Management Awareness			42 555 booklets, flyers and information pamphlets
Fire prevention through the distribution of smoke alarms		2 285	
TOTAL	316	48 753	44 853
<u>ENVIRONMENTAL HEALTH TRAINING:</u>			
<u>GLOBAL HANDWASHING TRAINING DAY 15 OCTOBER 2021</u>			



TRAINING OF FOOD HANDLERS



HEALTH AND HYGIENE TRAINING



FIREFIGHTING

Operational response and fire risk reduction

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

NATURAL RESOURCE MANAGEMENT

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

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

Breede Valley Municipality Tender (T2021/025)	SITE NAME: 1. BVM 1_2021 2. BVM 2_2021 3. BVM 3_2021	HECTARES CLEARED: 332,613
Drakenstein Municipality Tender (T2021/023)	SITE NAME: 4. DM 1_2021 5. DM 2_2021 6. DM 3_2021 7. DM 4_2021 8. DM 5_2021 9. DM 6_2021 10. DM 7_2021 11. DM 8_2021 12. DM 9_2021 13. DM 10_2021 14. DM 11_2021 15. DM 12_2021 16. DM 13_2021 17. DM 14_2021 18. DM 15_2021 19. DM 16_2021 20. DM 17_2021 21. DM 18_2021 22. DM 19_2021 23. DM 20_2021 24. DM 21_2021 25. DM 22_2021	HECTARES CLEARED: 1 082
Langeberg Municipality Tender (T2021/026)	SITE NAME: 26. LM 1_2021 27. LM 2_2021 28. LM 3_2021 29. LM 4_2021 30. LM 5_2021 31. Dassieshoek 1_2021 32. Dassieshoek 2_2021 33. Dassieshoek 4_2021	HECTARES CLEARED: 684,7862
Witzenberg Municipality Tender (T2021/024)	SITE NAME: 34. WM 1_2021 35. WM 2_2021 36. WM 4_2021 37. WM 5_2021 38. WM 6_2021 39. WM 7_2021 40. WM 8_2021 41. WM 9_2021 42. WM 10_2021 43. WM 11_2021	HECTARES CLEARED: 455,55

COMPONENT D: RURAL AND SOCIAL DEVELOPMENT

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

A. COMMUNITY SUPPORT PROGRAMME

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

B. DISABILITY PROGRAMME

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

(a) International Day for Persons with Disabilities Project

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

(b) Disabled Grant in Aid

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

(c) Adult diapers

The Cape Winelands District Municipality focuses on building and maintaining social capital through access to programmes and services. Our partners at the Department of Health, community-based services, social workers and NGOs indicated some challenges regarding the need for diapers. No adult, regardless of their level of physical or mental disability, should be treated different because aging and age-related conditions already rob our loved ones of much of their independence. Through Rural and Social Development programmes, CWDM portfolio Councillor Palesa Ramokhabi visited old age homes across the district to hand over around 1 053 diapers the period of June 2022.

D. ELDERLY PROGRAMME

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

More Living Active Age Project

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

(E) SANITARYWARE

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

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

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

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

(F) ECD SUPPORT

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

(G) HIV AND AIDS PROGRAMME

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

16 Days of Activism

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

H. SKILLS DEVELOPMENT PROGRAMME

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

(a) Driver's Licence Training Project

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

I. YOUTH PROGRAMME

Young people are at the heart of the future of South Africa, and they face many challenges in modern-day society. There is great benefit in investing in young people by creating pathways for accelerated development. When young people can claim their right to health, education and decent working conditions, they become a powerful force for economic development and positive change. Initiatives for youth are crucial in terms of the economy and the prevention of social crimes. Youth development programmes were implemented in partnership with various youth sector organisations. These programmes focused on equipping the youth with life skills, job readiness, entrepreneurial skills and career guidance.

(a) Grade 12 Top Achievers

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

COMPONENT E: SPORTS AND RECREATION

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

Sports and Cultural Events Funding Programme

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

Clubs supported

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

COMPONENT F: MUNICIPAL HEALTH SERVICES

LEGAL FRAMEWORK

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

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

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

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

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

MUNICIPAL HEALTH SERVICES MISSION AND VISION

MISSION

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

VISION

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

COVID-19

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

- Served on District and Subdistrict Joint Operation Committees.
- Served on other related structures such as the Provincial Mass Fatality Committee.
- Monitored compliance in general.



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



EDUCATION AND TRAINING 2021/2022

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

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

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

TRAINING OF FOOD HANDLERS: 9 DECEMBER 2021



GLOBAL HANDWASHING TRAINING DAY 15 OCTOBER 2021



MHS – WATER AND SANITATION PROJECT

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

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

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

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

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

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

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

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



FUNCTIONS

WATER QUALITY MONITORING

DEFINITION

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

This function includes the following:

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

This function excludes water supply and purification.

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

FOOD CONTROL

DEFINITION

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

The function ensures consumer protection through the following actions:

- Food inspection at point of production, storage, distribution and consumption.
- Regulate food premises regarding hygiene and the prevention of nuisances through certification, regular inspections and the enforcement of the Regulations governing General Hygiene Requirements for Food Premises, the Transport of Food and Related Matters, R638 of 23 June 2018;
- Regulate milking sheds and issue Certificates of Acceptability for Milking Sheds in terms of Regulations relating to Hygiene Requirements for Milking Sheds and the Transport of Milk and Related Matters, R961 of 23 November 2012;
- Regulate the informal food industry by means of R962 of 23 November 2012;
- Control of food premises by issuing Certificates of Acceptability for Food Premises in terms of Regulation R638 of 23 June 2018;
- Ensure that food is safe and healthy for human consumption through enforcement of the Foodstuffs, Cosmetics and Disinfectants Act, 1972 (Act No. 54 of 1972);

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

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

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

WASTE MANAGEMENT

DEFINITION

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

This function refers to:

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

HEALTH SURVEILLANCE OF PREMISES

DEFINITION

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

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

SURVEILLANCE AND PREVENTION OF COMMUNICABLE DISEASES EXCLUDING IMMUNISATIONS

DEFINITION

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

This function entails:

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

VECTOR CONTROL

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

DEFINITION

Monitoring, identification, evaluation and prevention of vectors.

The function refers to:

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

ENVIRONMENTAL POLLUTION CONTROL

DEFINITION

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

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

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

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

DISPOSAL OF THE DEAD

DEFINITION

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

This function refers to the monitoring and certification of:

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

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

SAFE HANDLING OF CHEMICAL SUBSTANCES

DEFINITION

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

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

COMPONENT G: ENVIRONMENTAL PROTECTION

AIR QUALITY MANAGEMENT

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

CWDM Air Quality Management Plan

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

Air Quality Training

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

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

Air Quality Monitoring

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

the 2021 reporting period, the three monitoring stations as operated within the CWDM indicated general good air quality.

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

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

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

Intergovernmental Cooperation / Industry Working Groups

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

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

Stellenbosch Municipality

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

Drakenstein Municipality

- Intergovernmental meeting and discussions with public who objected to the proposed Wellington Crematorium on the environmental authorisation granted by DEA&DP and the subsequent AEL application.
- Discussions and input to smoke emanating from agricultural biomass burning at Farm Lustigan, Paarl.
- Provided input on the determination of applicability of section 21 on the Diana Pet Foods facility in Paarl.
- Provided input at virtual intergovernmental meeting regarding a NEMA Section 30 incident with accidental release of ammonia fumes from the refrigeration system within the Nitro Cellulose Plant at Rheinmetall Denel Munition, Wellington.
- Provided input to Agriprotein for the proposed establishment of an insect protein production facility and the applicability of Category 10: Animal Matter Processing at such a facility.

- Site visit and investigation at the Shell petrol station at Du Plessis Motors in Wellington. Complaints investigated on possible fuel vapour releases from vent pipes of underground fuel tanks into restaurant from the adjacent petrol station.
- Site visit and input on a dust complaint from a gravel road at Malanstasie Road in Wellington.



Image: Vent pipes on fence line

Witzenberg Municipality

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

Breede Valley Municipality

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

Langeberg Municipality

- CWDM comment towards air quality management for the temporary departure application for crushing of rock in Agricultural Zone I on the farm Klaas Voogds, Robertson.
- Intergovernmental site inspection at Bonnievale Abattoir on an odour complaint, provided input with discussions on the management of odours at the animal rendering plant.
- Provided input to Langeberg Municipality on the stack emission report from Forest Timber for the operation of a wood burning appliance.
- Input and guidance on the Robertson Winery oxidation ponds for management of odour.

- Discussions and input to smoke emanating from the illegal burning of household waste at Poortjieskloof, Montagu.
- Provided input on air quality management on the Draft Scoping Report Application for a mining right on the farm Klaas Voogds Rivier 37, Robertson.
- Gave input to complaints from aircraft noise in Robertson.

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

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

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

Managing Industry – Listed Activities and Controlled Emitters

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

Table 2: Section 23 Controlled Emitters

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

Table 3: Section 21 Listed Activities

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

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

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

Air Quality-related Complaints

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

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

Table 3: Air Quality Complaints

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

Successes

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

COMPONENT H: DISASTER MANAGEMENT SERVICES

DIVISION: DISASTER MANAGEMENT SERVICES

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

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

The functions of Disaster Management include:

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

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

Disaster Management Advisory Forum

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

Coordination of Disaster Management function in the district

The Division held quarterly Disaster Management meetings with the local municipalities. The purpose of these meetings is to coordinate the function of disaster management in the district. Service level agreements have been signed with Langeberg and Witzenberg municipalities to assist

them with the function. Engagements took place for service level agreements to be drafted for Breede Valley and Drakenstein municipalities.

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

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

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

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

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

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

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

- 1 500 smoke alarms were provided.
- Fire equipment was provided to the Fire Services of the five local municipalities.
- Geographical Information System (GIS) training was held for Disaster Management officials and interns at the district and local municipalities.
- Water safety training was conducted by the NSRI in schools.
- The Disaster Ready Communications strategy and toolkit was rolled out to the local municipalities.
- A mascot was developed for Disaster Management.

- IT equipment was procured for Disaster Management training and awareness programmes.
- Relief items such as food parcels, blankets and mattresses were issued to local municipalities.
- Items such as gazebos, banners and an awareness trailer were procured to support Disaster Management awareness.
- Simulation exercises were sponsored.

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

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

DIVISION: FIRE SERVICES

LEGISLATIVE MANDATE

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

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

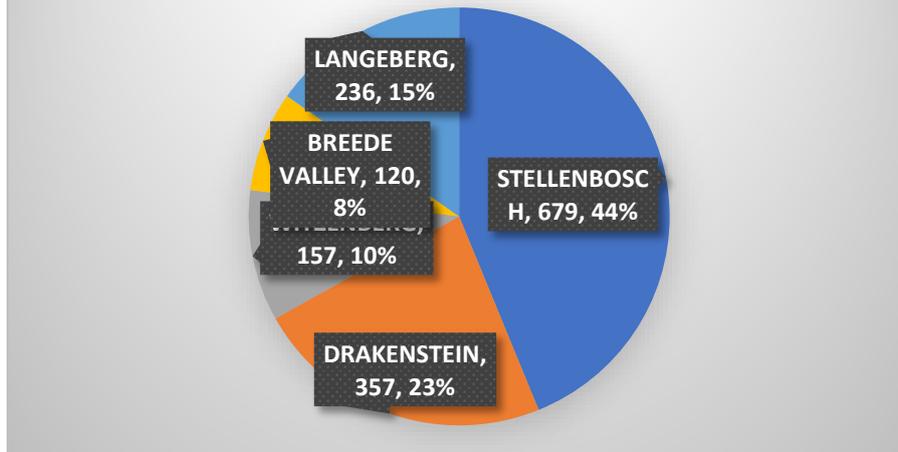
The Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) further mandates the CWDM to provide firefighting services serving the area of the district municipality as a whole, which includes:

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

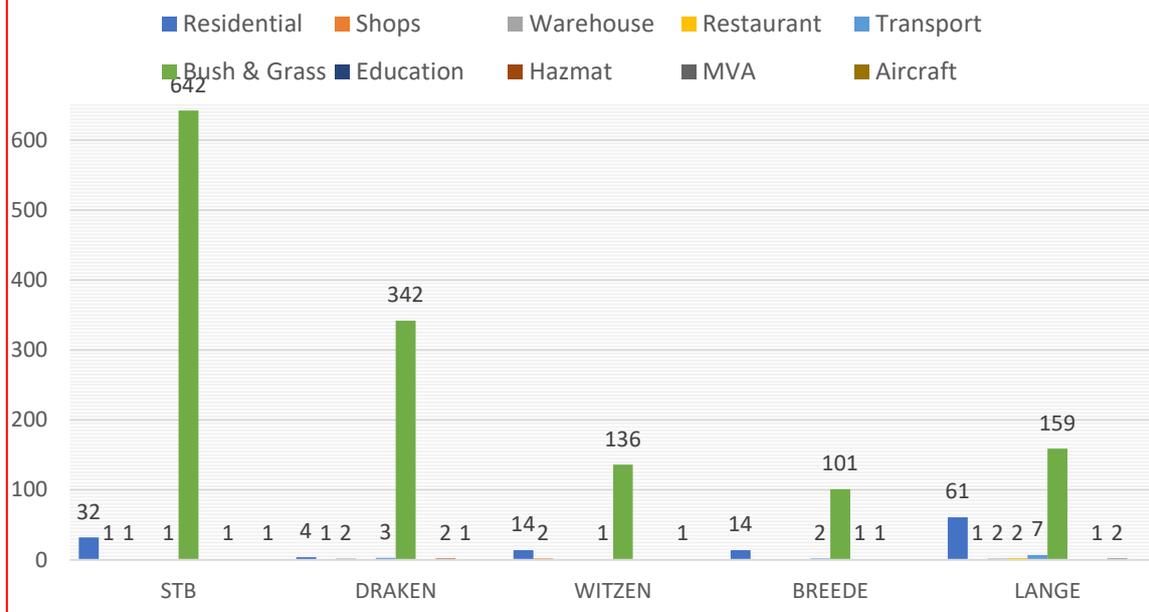
EMERGENCY INCIDENTS

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

CALLS PER LOCAL MUNICIPAL



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 22 Fire Officers, which includes our own and those from our partners and neighbouring municipalities.

INTER-AGENCY INVOLVEMENT

Cape Winelands District Veld Fire Workgroup

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

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

Local Municipal Fire Services

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

Fire Protection Association

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

VELD FIRE SEASON

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

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

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

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

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

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

COMPONENT I: FINANCIAL AND STRATEGIC SUPPORT SERVICES

EXECUTIVE AND COUNCIL

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

Introduction to Executive and Council

Vision

A unified Cape Winelands of excellence for sustainable development

Mission

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

Core values

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

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

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

PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICES

Introduction: Legal Services

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

Legal priorities

- Legal compliance;
- Legal support to the Executive Mayor, Speaker and Municipal Manager, Heads of Department, Council, committees, departments and divisions;
- Legal advice pertaining to draft policies and contracts;
- Written and/or oral opinions;
- Finalisation of legal documents; and
- Labour relations matters.

Legal impact

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

Introduction: Property Management

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

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

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

Property Management priorities

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

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

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

Property Management impact

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

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

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

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

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

Comment on the performance of Property Services overall

No capital projects.

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

INTRODUCTION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Year 1 – Year 3: From 1 July 2016 to 30 June 2019
Include only managers reporting directly to the Municipal Manager and Section 56 Managers

Year 4: From 1 July 2019 to 30 June 2020
Cascading down to T13

Year 5 From 1 July 2020 to 30 June 2021
Cascading down from T12 – T6

Year 6 From 1 July 2021 to 30 June 2022
Cascading down from T5 – T3

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

- Year 4 (from 1 July 2019 to 30 June 2021) – Cascading down to T13*
Year 5 (from 1 July 2021 to 30 June 2024) – Cascading down from T12 – T6
Year 6 (from 1 July 2024 to 30 June 2025) – Cascading down from T5 – T3

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

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

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

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

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

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

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

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

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

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

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

COMPONENT A: INTRODUCTION TO MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, VACANCIES AND TERMINATIONS

EMPLOYEE TOTALS

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

EMPLOYEES: THE EXECUTIVE AND COUNCIL

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

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

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

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

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

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

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

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

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

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

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

VACANCIES

VACANCY RATE: 2021/2022			
Designation	Total approved posts	Vacancies (Total time that vacancies exist using full-time equivalents)	Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	0	0%
Chief Financial Officer	1	0	0%
Other S56 Managers (excluding finance posts)	2	0	0%
Other S56 Managers (finance posts)	0	0	0%
Police Officers	0	0	0%
Firefighters	73	17	23.28%
Senior Management levels T18 – T19 (excluding finance posts)	6	2	33.33%
Senior Management levels T18 – T19 (finance posts)	1	0	0%
Professionally qualified levels T14 – T17 (excluding finance posts)	34	3	8.8%
Professionally qualified levels T14 – T17 (finance posts)	8	2	25%

COMMENT ON VACANCIES AND TURNOVER

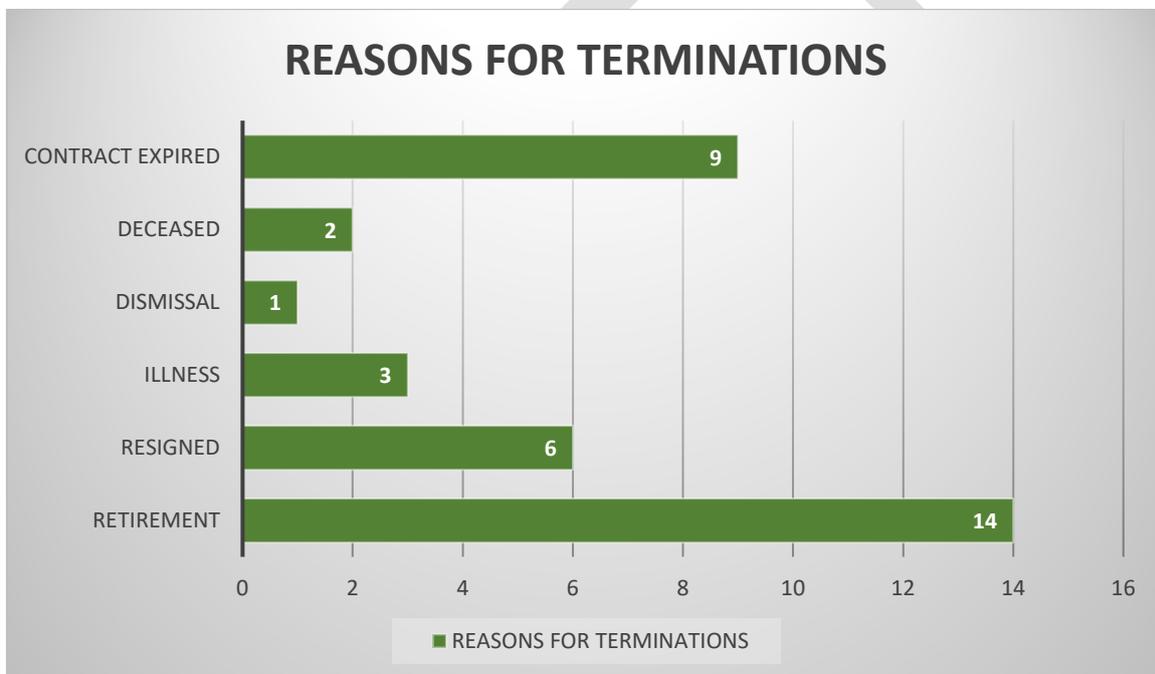
The post of Municipal Manager and all Section 56 posts were filled during the 2021/2022 financial year.

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



TERMINATIONS

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



TURNOVER RATE			
Details	Total number of employees as at beginning of financial year	Total number of terminations for the financial year	No.
2020/2021	420	27	6,42%
2021/2022	414	35	8,45%

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

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

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

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

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

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

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

In 2017/2018, the municipality highlighted the need for a strategic intervention within the Division: Roads. As a result of our aged staff component of qualified engineers and technicians within this department, the municipality identified a pool of potential candidates and embarked on two learnerships to address this skills shortage and to ensure a pool of qualified technicians and engineers is available when needed. Thus, the National Certificate: Road Construction (NQF 4) and the National Diploma: Road Construction Supervisor (NQF 5) continued throughout the 2021/2022 year. Upon conclusion, these learners will become eligible for internal bursaries via our Study Aid Programme to complete their engineering degrees.

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

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

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

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

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

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

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

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

As per the requirements of the Employment Equity Act, 1998 (Act No. 55 of 1998), the CWDM submitted an employment equity report in the prescribed format to the Department of Employment and Labour. Consultation with all relevant parties takes place monthly at the Local Labour Forum, where parties are offered an opportunity to continuously assess and monitor progress.

EMPLOYMENT EQUITY FORUM

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

EMPLOYEE WELLNESS

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

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

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

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

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

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

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

COVID-19 PANDEMIC

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

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

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

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

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

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

The health and safety of workers remain a priority for the CWDM. The Code of Practice on the Management of Exposure to Sars-Cov-2 in the Workplace remains the guiding principle on matters of health and safety in the workplace and it remains the responsibility of all leaders to design an inclusive environment that promotes safety and makes workers comfortable in the workplace. The Code provides a guide to employers and workers as to what are reasonably practicable measures in managing SARS-CoV-2 (the Covid virus). Hazardous biological agents, of which the SARS-Cov-2 is one, are regulated by the Regulations for Hazardous Biological Agents.

Although the CWDM, as in the case of many organisations, has been hit hard by the Covid pandemic, employees have responded to the challenges with great resilience and adaptability. However, the pandemic has fundamentally altered where and how people work, upending many long-standing norms and practices. Management and employees have made many changes, often out of necessity, though they have regularly brought unexpected improvements in productivity or working conditions. Despite all the challenges of the pandemic, productivity has improved or remained

constant at the CWDM – an inadvertent consequence of the pandemic for the CWDM who was obliged to find new ways of doing things. Productivity gains have been driven in part by the drive to find digital processes to replace analogue ones.

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

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

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

Some of the challenges include:

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

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

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

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

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

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

The objectives of the regulations are to:

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

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

(a) November 2021 and December 2021

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

(b) February 2022

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

(c) March 2022

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

(d) April 2022

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

- (v) Distribution of revised and new policies to Extended Management and Labour for inputs;

(e) May 2022

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

(f) June 2022

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

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

WORKFORCE PROFILE: DEPARTMENTS - JUNE 2022

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

WORKFORCE PROFILE: CWDM GLOBAL - JUNE 2022

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

All employees, including employees with disabilities

EMPLOYMENT EQUITY FIGURES 30 JUNE 2022

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

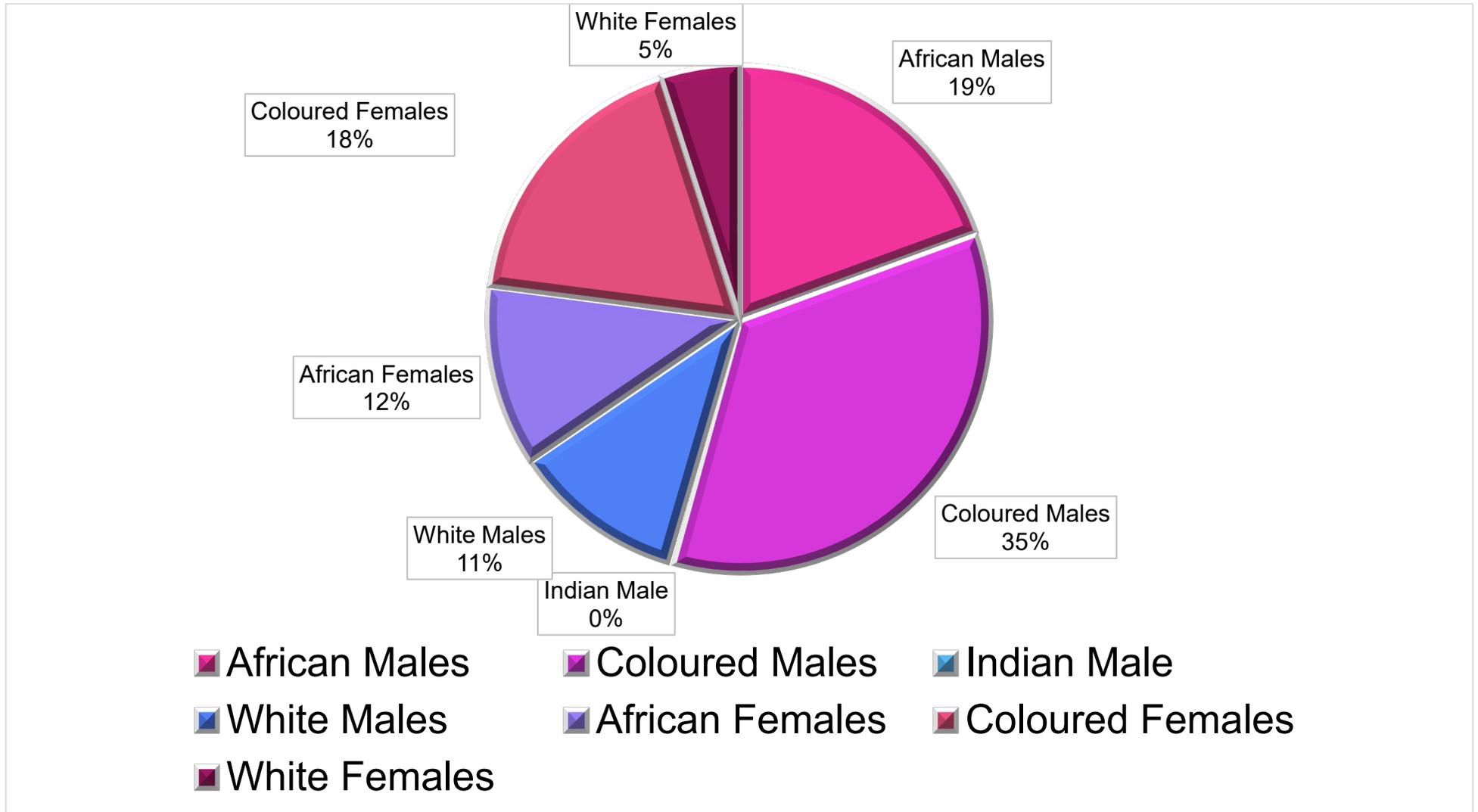
All employees with disabilities

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

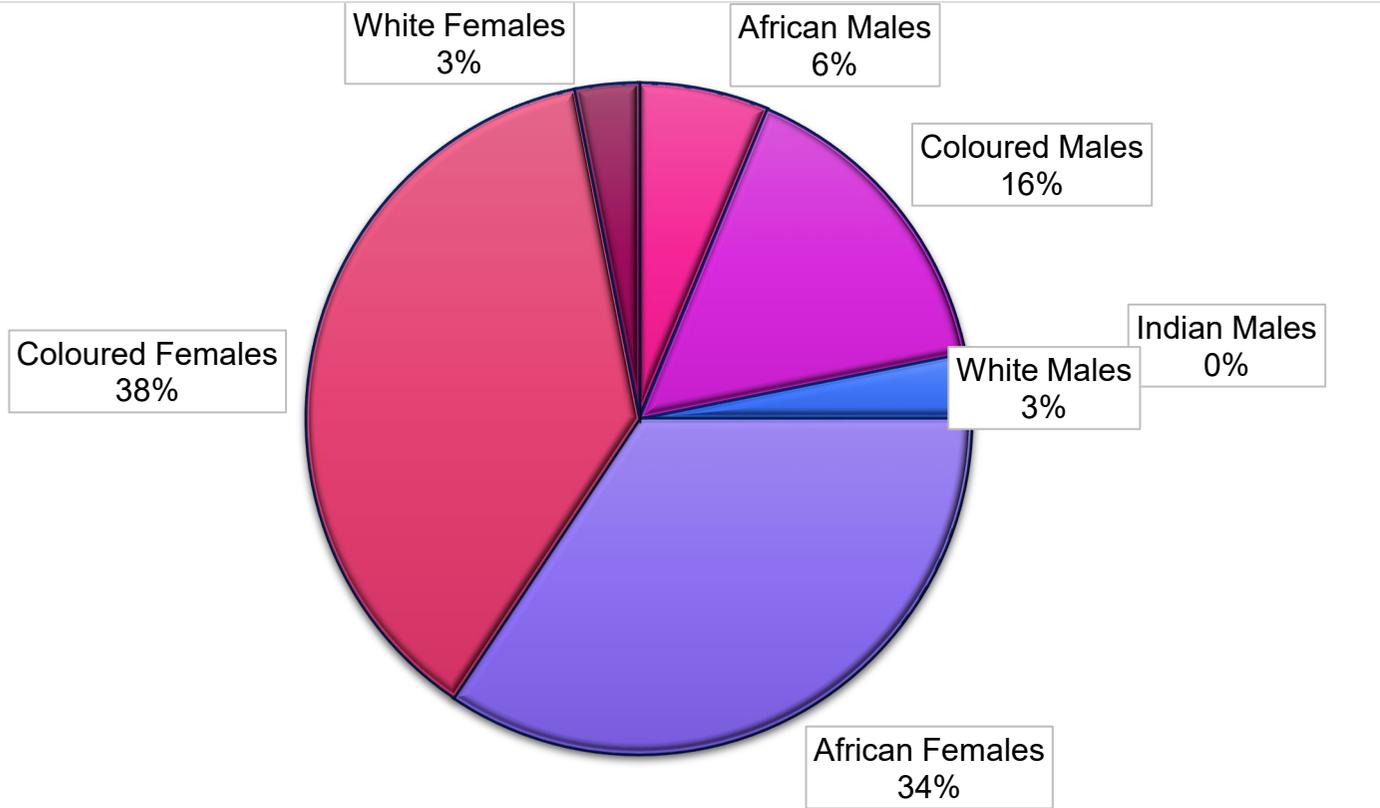
JUNE 2022 WORKFORCE PROFILE COMPARED TO EE TARGETS



JUNE 2022 GENDER WORKFORCE PROFILE



JUNE 2022 TEMPORARY EMPLOYEES



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

4.2 POLICIES

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

35.	Revenue Management Policy	100		20 May 2015
36.	Subsistence and Travel Policy	100	25 November 2010 30 March 2012 25 July 2013	28 January 2010
37.	Supply Chain Management Policy	100	31 July 2014 25 May 2017	27 March 2008
38.	Tariff Policy and Tariff By-Law	100		13 November 2003
39.	Telecoms and Cellular Phone Allowance Policy	100		31 January 2019
40.	Transport Allowance Scheme	100	29 January 2015	26 April 2007
41.	Transport Allowance Scheme for Essential Users	100		22 June 2007
42.	Travel and Removal Expenses Policy	100		24 May 2005
43.	Unauthorised Fruitless and Wasteful Expenditure	100		28 May 2015
44.	Unforeseen and Unavoidable Expenditure Policy	100		28 May 2015
45.	Virement Policy	100	28 May 2015 25 May 2017	14 May 2010
COMMUNICATIONS POLICIES AND PLANS				
46.	Branding Policy	100		28 May 2015
47.	Communication Policy and Strategy 2008-2011	100	20 August 2015	6 November 2008
48.	Staff Statements to the Media Policy	100		24 May 2005
49.	Corporate Identity and Branding Policy	100		28 May 2015
COMMUNITY DEVELOPMENT AND PLANNING SERVICES POLICIES AND PLANS				
50.	Community Support Policy	100	28 May 2015	29 September 2005
51.	Emergency Nutrition Provision Policy	100		31 January 2013
52.	Fire and Rescue Training Academy Policy	100		4 December 2014
53.	Identifiable and Protective Clothing Policy: Disaster Management	100		24 October 2006
54.	Protective Clothing for Environmental Health Practitioners	100		25 July 2006
55.	Uniform Schedule for the Division: Fire Service	100		25 July 2006
56.	Social Relief of Distress Policy	100		C.15.1 of 25 January 2018
HUMAN RESOURCE POLICIES AND PLANS				
57.	Chronic Illness Policy	100		24 May 2005
58.	Code of Conduct for Employees	100		LG: Systems Act
59.	Confidentiality Policy	100		24 May 2005
60.	CWDM Sponsored Work-related Functions Policy	100		24 May 2005
61.	Delegations, Authorisation and Responsibility	100	Under review	15 July 2011
62.	Determination of Policy: Dress Code for Councillors	100		19 February 2004
63.	Employee Assistance Programme Policy	100	21 October 2021	25 April 2012
64.	Employee Driving Licence Assistance Policy	100	27 June 2014	17 February 2011
65.	Employee Study Aid and Leave Policy	100	3 December 2013 21 October 2021	24 May 2005
66.	Education, Training and Development Policy	100	4 December 2014	24 May 2005
67.	HIV and Aids Policy	100	25 November 2010	24 May 2005
68.	Individual Performance Management Policy	100	21 October 2021	28 June 2016
69.	Induction Policy	100		24 May 2005
70.	Internship Policy	100		28 May 2015
71.	Medical Funds Administration Policy	100		21 October 2021
72.	Mentoring and Coaching Policy	100		21 October 2021
73.	Nepotism Policy	100		24 May 2005
74.	Occupational Health and Safety Policy	100	21 October 2021	24 May 2005
75.	Post-retirement Medical Aid Benefits Policy			21 October 2021
76.	Private Work Policy	100	Under review	24 May 2005
77.	Recruitment and Selection Policy	100	25 November 2010	24 May 2005
78.	Sexual Harassment Policy	100		24 May 2005
79.	Smoking Policy	100		25 November 2010

80.	Sponsorship Policy	100		28 May 2015
81.	Student Assistance Policy	100	3 March 2008	24 May 2005
82.	Substance Abuse Policy	100		24 May 2005
83.	Succession Planning and Career Pathing Policy	100	21 October 2021	24 May 2005
84.	Task Job Evaluation Policy	100		6 December 2018
85.	Time and Work Attendance Management Policy	100		27 October 2011
86.	Unpaid Leave Policy	100		24 May 2005
87.	Whistleblowing Policy	100		24 May 2005
ICT POLICIES AND PLANS				
88.	Baseline Installation Procedures for Operating Systems	100		25 July 2013
89.	Change Management Process	100		24 April 2014
90.	ICT Data Backup and Retention Policy	100		29 June 2017
91.	ICT Disaster Recovery Plan	100		30 March 2012
92.	ICT Operating System Security Controls Policy	100	25 July 2013 24 April 2014	19 September 2016
93.	ICT Service Level Agreement Management	100		29 June 2017
94.	Information and Communication Backup Policy	100	24 April 2014	25 April 2012
95.	Information Technology Security Policy	100		24 May 2005
96.	Internet and E-mail Usage Policy	100		24 May 2005
97.	Municipal Corporate Governance of Information and Communication Technology (ICT) Policy	100		31 May 2018
98.	Mobile Device Policy	100		4 December 2014
99.	Network Security Policy	100	24 April 2014 25 July 2013	25 April 2017
100.	Physical Environmental Security Policy	100		25 July 2013
101.	Telecommunications Policy	100	4 December 2014	24 May 2005
102.	User Account Management Procedures	100		24 April 2014
103.	User Security Policy	100		27 October 2011
TECHNICAL SERVICES POLICIES AND PLANS				
104.	Electrification of Rural Housing Policy, Consolidate with Water and Sanitation Policy	100	25 February 2015	25 October 2012
105.	Expanded Public Works Policy	100		31 January 2013
106.	Financial Support for the Replacement and Construction of Fencing along the Provincial Roads Network in the jurisdiction area of CWDM	100		3 December 2013
107.	Maintenance Management Policy	100		28 May 2015
108.	Personal Protective Equipment Policy for the Roads Agency Function	100		26 March 2015
109.	Policy for the Provision of Basic Services to Rural Dwellings	100		25 February 2016
110.	PPE Policy for Roads and Mechanical Workshop	100		26 March 2015
111.	Protective Clothing Policy for Personnel: Roads	100		25 July 2006

4.3 INJURIES

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

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



COMMENT ON INJURY AND SICK LEAVE

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

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

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

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

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

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

4.4 PERFORMANCE REWARDS – TO BE UPDATED

PERFORMANCE REWARDS BY GENDER					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards 2020/2021	Proportion of beneficiaries within group
				R'000	%
Top Management (MM & Section 56)	Female	1	1		100%
	Male	3	3		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		100
Has the statutory municipal calculator been used as part of the evaluation process?					Yes

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

COMMENT ON PERFORMANCE REWARDS

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

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

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

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

- comply with the provisions of sections 57(1)(b), (4A), (4B) and (5) of the Act as well as the employment contract entered into between the parties;
- specify objectives and targets defined and agreed with the employee and to communicate to the employee the employer's expectations of the employee's performance and accountabilities in alignment with the IDP, SDBIP and the budget of the municipality;
- specify accountabilities as set out in a performance plan, which forms an annexure to the performance agreement;

- monitor and measure performance against set targeted outputs;
- use the performance agreement as the basis for assessing whether the employee has met the performance expectations applicable to his or her job;
- in the event of outstanding performance, to appropriately reward the employee; and
- give effect to the employer's commitment to a performance-orientated relationship with its employees in attaining equitable and improved service delivery.

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

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

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

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

COUNCIL MEETING: 28 JUNE 2018: ITEM C.15.2

RESOLVED: (Unanimously, 31 Councillors) That –

- 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;*
- Performance bonuses be considered annually based on financial affordability;*
- 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.*

POSITION	OFFICIAL NAME	WORKING PERIOD	PERFORMANCE SCORE	BONUS%
Municipal Manager	Mr HF Prins	1 July 2020 – 30 June 2021	153	14
Chief Financial Officer	Ms FA du Raan-Groenewald	1 July 2020 – 30 June 2021	152,33	14
Executive Director: Technical Services	Mr F van Eck	1 July 2020 – 30 June 2021	151.67	14
Executive Director: Community Development and Planning Services	Mr PA Williams	2 January 2020 – 30 June 2021	152.67	14

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.5 SKILLS DEVELOPMENT AND TRAINING

SKILLS MATRIX														
Management Level	Gender	Employees in post as at 30 June 2022	Number Of Skilled Employees Required and Actual as at 30 June 2022											
			Learnerships			Skills Programmes and other Short Courses			Other Forms of Training			Total		
			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	20	0	0	0	7	4	2	0	0	0	7	4	2
	Male	33	0	0	0	14	8	5	0	0	0	14	8	5
Technicians and associate professionals	Female	9	0	3	0	0	4	5	0	0	0	0	7	5
	Male	31	4	15	4	2	6	7	0	0	0	6	21	11
Professionals	Female	41	0	0	0	39	18	19	0	0	0	39	18	19
	Male	32	0	0	0	47	16	21	0	0	0	47	16	21
Sub-total	Female	71	0	3	4	46	26	26	0	0	0	46	29	30
	Male	99	4	15	0	63	30	33	0	0	0	67	45	33
Total		170	4	18	4	109	56	59	0	0	0	113	74	63
*Registered with professional associate body, e.g. CA (SA)														73

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

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

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

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

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

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

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

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

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

Training and Development 2021/2022

Organisational

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

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

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

Department: Financial and Strategic Support Services

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

Department: Community Development and Planning Services

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

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

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

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



Department: Technical Services

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

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

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

National Certificate: Supervision of Construction Processes (NQF 4)



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



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

Earthmoving Equipment Training Programme (November 2021 to August 2022)



Municipal Staff Regulations: Chapter 5: Skills Development

The Municipal Staff Regulations contain five chapters that are interlinked:

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

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

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

This chapter emphasises the importance of a Skills Audit, a Workplace Skills Plan and the implementation of the Skills Plan. Therefore, the implementation of the training interventions is informed by the approved annual Workplace Skills Plan and Training Implementation plan. Both plans



are comprehensively consulted with all the relevant stakeholders, inclusive of employees, labour and management of the CWDM. The main purpose of organisational capacitation is to ensure that all objectives as listed in our IDP are recognised.

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

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

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

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

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

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

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

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

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

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

5.1 INTRODUCTION TO FINANCIAL STATEMENTS

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

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

5.2 GRANTS

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

5.2 ASSET MANAGEMENT

5.3 INTRODUCTION TO ASSET MANAGEMENT

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

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

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

COMMENT ON FINANCIAL RATIOS

Liquidity Ratio (Norm 1 to 1.5)

2020/2021 - 16.39:1

2021/2022 - 21.84:1

Applying the ratio of current assets over current liabilities, the actual ratio equates to 21.84 (2020: 16.39) with a minimum acceptable norm at 1. This means that the current assets of the municipality are more than the current liabilities. The 2021/2022 current ratio of 21.84 increased with 5.45 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 2021/2022					
Division	Original Budget	Adjustment Budget	Actual	% Variance	
				Budget	Adjustments Budget
Admin Support Services	662.716.00	548.516.00	503.570.44	24%	8%
Property Management	48.881.00	48.881.00	48.880.68	0%	0%
Councillor Support	-	4.200.00	4.193.48	0%	0%
Human Resource Management	1.600.000.00	1.600.000.00	-	100%	100%
Management Financial Services	14.000.00	124.000.00	39.436.80	-182%	68%
Disaster Management	152.327.00	137.148.00	103.668.52	32%	24%
Fire Services	6.735.510.00	6.736.010.00	791.870.02	88%	88%
Municipal Health Services	31.990.00	46.669.00	46.668.05	-46%	0%
Building Maintenance	1.346.910.00	1.346.910.00	200.673.90	85%	85%
Projects	200.000.00	200.000.00	-	100%	100%
Management: Engineering	58.500.00	58.500.00	-	100%	100%
Public Transport Regulation	34.000.00	34.000.00	-	100%	100%
Information Technology	4.460.000.00	4.421.841.00	329.513.86	93%	93%
Roads	162.145.00	162.145.00	51.136.60	68%	68%
Total	15.506.979.00	15.468.820.00	2.119.612.35	86%	86%

5.6 REVENUE COLLECTION BY SOURCE

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

TK.2

5.7 CAPITAL SPENDING ON THREE LARGEST PROJECTS

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2021/2022	
Asset 1	
Name	DC02_Fire Equipment
Description	Fire pumps and other equipment
Asset type	FIRE ENGINES
Key staff involved	
Staff responsibilities	
Asset value	R266 211
Capital implications	
Future purpose of asset	
Describe key issues	
Policies in place to manage asset	Asset Management Policy
Asset 2	
Name	DC02_High Volume Colour Photo Copy Machine_CL
Description	Printer
Asset type	COMPUTER EQUIPMENT
Key staff involved	
Staff responsibilities	
Asset value	R200 000
Capital implications	
Future purpose of asset	
Describe key issues	
Policies in place to manage asset	Asset Management Policy
Asset 3	
Name	DC02_High Volume Photo Copy Machine_CW Office
Description	Printer
Asset type	COMPUTER EQUIPMENT
Key staff involved	
Staff responsibilities	
Asset value	R200 000
Capital implications	
Future purpose of asset	
Describe key issues	
Policies in place to manage asset	Asset Management Policy
T5.3.2	

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.8 INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

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

5.9 CASH FLOW

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

Source: MBRR SA7 T5.9.1

5.10 BORROWING AND INVESTMENTS

The CWDM has no outstanding loans.

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

COMPONENT D: OTHER FINANCIAL MATTERS

5.11 SUPPLY CHAIN MANAGEMENT

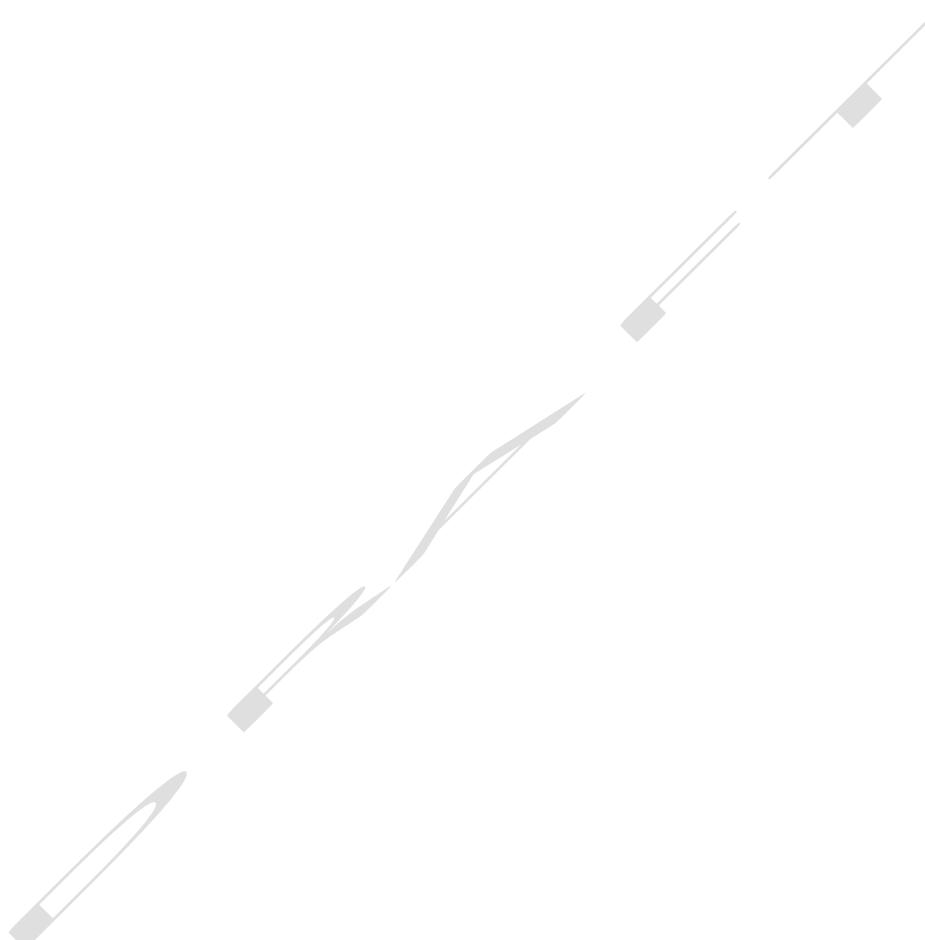
Prescribed supply chain management processes and procedures as per the MFMA, sections 110 to 119 and the Supply Chain Management Regulations, 2005 are in place and maintained. Processes have been instituted to improve demand management, which in turn will ensure efficient and effective service delivery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

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

5.12 GRAP COMPLIANCE

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

CHAPTER 6 - AUDITOR-GENERAL'S FINDINGS



Report of the auditor-general to the Western Cape Provincial Parliament and the council on 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 8 to 99, which comprise the statement of financial position as at 30 June 2022, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended 30 June 2022 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 2022, 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 of South Africa Act 56 of 2003 (MFMA) and the Division of Revenue Act 9 of 2021 (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 32 to the financial statements, the corresponding figures for 30 June 2021 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2022.

Underspending of the Budget

8. As disclosed in the statement of comparison of budget and actual amounts, the municipality materially underspent the budget by R43 482 295.

Other matter

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

Unaudited supplementary schedules

10. The supplementary information set out on pages 100 to 106 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements

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

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

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

Report on the audit of the annual performance report

Introduction and scope

15. In accordance with the Public Audit Act 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 the selected objective presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
16. 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.
17. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objective presented in the municipality's annual performance report for the year ended 30 June 2022:

Objective	Pages in the annual performance report
Strategic objective 2: promoting sustainable infrastructure services and a transport system which fosters social and economic opportunities	10 –12

18. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
19. I did not 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

20. I draw attention to the matter below.

Achievement of planned targets

21. Refer to the annual performance report on pages 10 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

22. 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.
23. 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

24. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and the selected objective presented in the annual performance report that have been specifically reported in this auditor's report.
25. 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.

26. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objective presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
27. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, 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

28. 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.
29. I did not identify any significant deficiencies in internal control.

Auditor - General

Cape Town
14 December 2022



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 the selected objective and on the municipality’s compliance with respect to the selected subject matter.

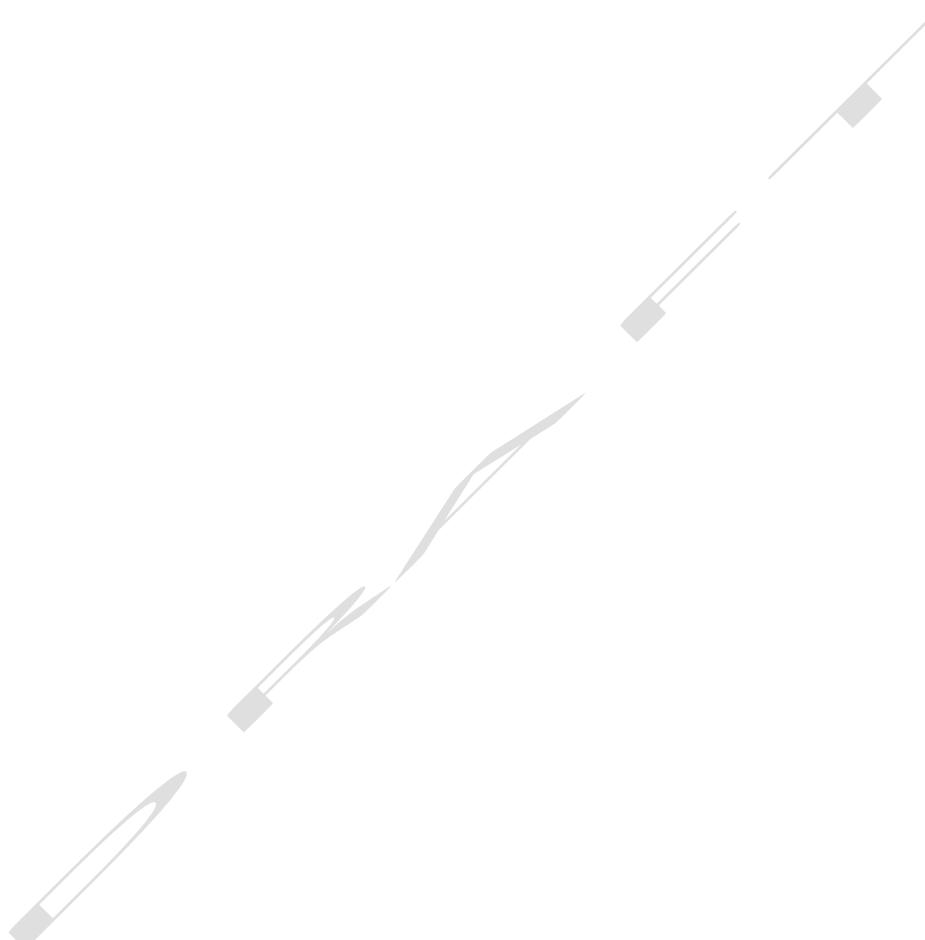
Financial statements

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 the municipality to cease operating as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

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

CHAPTER 7 – ANNUAL FINANCIAL STATEMENTS





CAPE WINELANDS DISTRICT
MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

Unaudited Annual Financial Statements 2021/2022



Stellenbosch • Langeberg • Breede Valley • Witzenberg • Drakenstein

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

General Information

Legal form of entity

Municipality (MFMA)

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

Nature of business and principal activities

The Municipality is a local authority that -

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

Mayoral committee

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

Other Councillors

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

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

General Information

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

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

General Information

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

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

Grading of local authority

GRADE 4
MEDIUM CAPACITY

Municipal Manager

H.F PRINS

Chief Financial Officer (CFO)

F.A DU RAAN - GROENEWALD

Registered office

46 ALEXANDER STREET
STELLENBOSCH
7600

Postal address

P.O.BOX 100
STELLENBOSCH

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

General Information

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

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Index

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

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Accounting Officer's Responsibilities and Approval	7
Statement of Financial Position	8
Statement of Financial Performance	9
Statement of Changes in Net Assets	10
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Statement of Comparison of Budget and Actual Amounts	12 - 14
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Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

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
RPAMS	Rural Roads Asset Management System
PRMA	Post Retirement Medical Aid
VAT	Value-Added Tax
WCA	Workmen's Compensation Assistance
WCPG	Western Cape Provincial Government

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information, included in this report. It is the responsibility of the accounting officer to ensure that the financial statements fairly present the state of affairs of the municipality, as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the financial statements and was given unrestricted access to all financial records and related data.

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

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

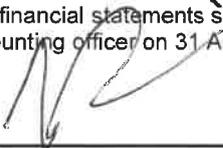
The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting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

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

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2023 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

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



Accounting Officer
HF PRINS

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Statement of Financial Position as at 30 June 2022

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

* See Note 32

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Statement of Financial Performance

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

* See Note 32

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Statement of Changes in Net Assets

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

* See Note 32

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Cash Flow Statement

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

* See Note 32

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis						
	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Rental of facilities and equipment	240,000	-	240,000	229,048	(10,952)	
Interest received - investment	41,000,000	-	41,000,000	40,295,365	(704,635)	
Licences and permits	653,000	-	653,000	739,566	86,566	Note 44 & 45
Agency services	107,443,297	-	107,443,297	106,979,783	(463,514)	Note 44
Transfers and subsidies	258,641,529	9,588	258,651,117	253,668,691	(4,982,426)	Note 44
Other revenue	10,989,369	(9,588)	10,979,781	9,691,259	(1,288,522)	Note 44 & 45
Total Revenue (excluding capital transfers and contributions)	418,967,195	-	418,967,195	411,603,712	(7,363,483)	
Expenditure						
Employee related costs	(230,972,967)	-	(230,972,967)	(218,978,840)	11,994,127	Note 44
Remuneration of councillors	(13,232,003)	-	(13,232,003)	(12,744,506)	487,497	
Debt impairment	(150,000)	29,700	(120,300)	(113,215)	7,085	
Depreciation and amortisation	(9,876,320)	-	(9,876,320)	(9,801,055)	75,265	
Inventory consumed	(23,651,381)	64,827	(23,586,554)	(21,452,352)	2,134,202	Note 44
Contracted Services	(54,071,958)	296,477	(53,775,481)	(33,225,096)	20,550,385	Note 45
Transfers and Subsidies	(18,412,500)	(241,608)	(18,654,108)	(16,988,386)	1,665,722	
Other expenditure	(69,796,211)	(14,315)	(69,810,526)	(63,534,832)	6,275,694	Note 44
Losses	(12,000)	(135,081)	(147,081)	(132,468)	14,613	
Total expenditure	(420,175,340)	-	(420,175,340)	(376,970,750)	43,204,590	
Surplus/ (Deficit)	(1,208,145)	-	(1,208,145)	34,632,962	35,841,107	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1,208,145	-	1,208,145	54,315	(1,153,830)	Note 44 & 45
Transfers and subsidies - capital (in-kind)	-	-	-	929,080	929,080	Note 44 & 45
Surplus/ Deficit for the year	-	-	-	35,616,357	35,616,357	

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

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

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

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

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

1. Presentation of Financial Statements

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

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

All figures have been rounded to the nearest Rand.

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

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

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

1.1 Significant judgements and sources of estimation uncertainty

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

Receivables

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

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

Impairment testing

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

Value in use of cash generating assets:

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

Value in use of non-cash generating assets:

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

Useful lives of property, plant and equipment and other assets

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

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Accounting Policies

1.1 Significant judgements and sources of estimation uncertainty (continued)

Post-retirement benefits

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

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

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

Effective interest rate

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

Allowance for impairment

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

Allowance for slow moving, damaged and obsolete inventory

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

Provisions

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

Impairment of statutory receivables

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

Accounting by principals and agents

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

1.2 Reserves

Internal ring fenced reserves

Capital replacement reserve (CRR)

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

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

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Accounting Policies

1.2 Reserves (continued)

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

Government grant reserve

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

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

Accumulated Surplus

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

1.3 Cash and cash equivalents

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

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

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

1.4 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost.

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

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

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

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Accounting Policies

1.4 Property, plant and equipment (continued)

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

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

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

Depreciation

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

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

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

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

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

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

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

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

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

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

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

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

Expected useful life

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Accounting Policies

1.4 Property, plant and equipment (continued)

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

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

1.5 Intangible assets

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

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

Intangible assets are initially recognised at cost.

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

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

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

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Accounting Policies

1.5 Intangible assets (continued)

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

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software, other	3 - 15 years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

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

1.6 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Recognition

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

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

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

The municipality has the following registered Heritage Assets:

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

Impairment

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

External sources:

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

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

Internal sources:

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

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

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Accounting Policies

1.7 Changes in accounting policies, estimates errors

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

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

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

1.8 Financial instruments

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

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

Initial recognition

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

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

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

Subsequent measurement of financial assets and financial liabilities

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

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

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

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

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

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

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

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

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.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Accounting Policies

1.8 Financial instruments (continued)

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

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

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

Reclassification

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

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

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

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

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

Fair value measurement considerations

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

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

Gains and losses

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

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

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Accounting Policies

1.8 Financial instruments (continued)

Impairment and uncollectibility of financial assets

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

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

Financial assets measured at amortised cost

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

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

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

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

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

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

Financial liabilities

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

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

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

Cape Winelands District Municipality

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Accounting Policies

1.9 Statutory receivables

Identification

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

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

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

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

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

Recognition

The municipality recognises statutory receivables as follows:

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

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

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

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

Other charges

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

Impairment losses

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

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

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

Cape Winelands District Municipality

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Accounting Policies

1.9 Statutory receivables (continued)

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

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

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

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

Derecognition

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

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

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

1.10 Leases

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

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

Finance leases - lessee

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

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

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

Operating leases - lessor

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

Cape Winelands District Municipality

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Accounting Policies

1.10 Leases (continued)

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

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

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

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

Operating leases - lessee

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

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

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

1.11 Inventories

Inventories consist of unsold properties and consumables.

Initial measurement

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

Subsequent measurement

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

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

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

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

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

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

Derecognition

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

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Accounting Policies

1.11 Inventories (continued)

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

1.12 Grants in Aid

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

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

1.13 Events after reporting date

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

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

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

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

1.14 Budget information

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

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

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts as prescribed in GRAP 24.

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

1.15 Related parties

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

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

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

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

Cape Winelands District Municipality

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Accounting Policies

1.15 Related parties (continued)

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

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

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

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

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

1.16 Value added Tax

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

1.17 Impairment of cash-generating assets

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

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

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

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

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

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

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

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

Useful life is either:

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

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

Identification

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

Cape Winelands District Municipality

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Accounting Policies

1.17 Impairment of cash-generating assets (continued)

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Value in use

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

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current prime lending rate and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

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

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. The municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

Cape Winelands District Municipality

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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.

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Accounting Policies

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

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

Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

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

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.19 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

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

Cape Winelands District Municipality

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Accounting Policies

1.19 Provisions and contingencies (continued)

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

If the municipality has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

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

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

A contingent liability:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality; or
- a present obligation that arises from past events but is not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation;
 - the amount of the obligation cannot be measured with sufficient reliability.

1.20 Commitments

Items are classified as commitments when the municipality has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.21 Revenue from exchange transactions

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

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Agency fees are recognised to the extent of work performed.

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Accounting Policies

1.21 Revenue from exchange transactions (continued)

Interest

Revenue arising from the use by others of municipal assets yielding interest is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest method.

1.22 Revenue from non-exchange transactions

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

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

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

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

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

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

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a nonexchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

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

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because a condition is satisfied, the amount of the reduction in the liability is recognised as revenue

Transfers

Apart from Services in kind, which are not recognised, the municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Accounting Policies

1.22 Revenue from non-exchange transactions (continued)

Gifts and donations, including goods in-kind

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

1.23 Borrowing costs

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

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

1.24 Comparative figures

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

1.25 Unauthorised expenditure

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

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

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

1.26 Fruitless and wasteful expenditure

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

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

1.27 Irregular expenditure

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

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

1.28 Employee benefits

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

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

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

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Accounting Policies

1.28 Employee benefits (continued)

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

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

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

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

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

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

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

Short-term employee benefits

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

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measure the expected cost of accumulating compensated absences as the additional amount that the municipality expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The municipality recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Accounting Policies

1.28 Employee benefits (continued)

Long term receivable

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

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

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

Multi-employer plans

The entity classifies a multi-employer plan as a defined contribution plan or a defined benefit plan under the terms of the plan (including any constructive obligation that goes beyond the formal terms).

Where a plan is a defined benefit plan, the entity accounts for its proportionate share of the defined benefit obligation, plan assets and cost associated with the plan in the same way as for any other defined benefit plan.

When sufficient information is not available to use defined benefit accounting for a plan, that is a defined benefit plan, the entity account for the plan as if it was a defined contribution plan.

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the entity recognise actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

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

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

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognise past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Accounting Policies

1.28 Employee benefits (continued)

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The amount determined as a defined benefit liability may be negative (an asset). The entity measure the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The entity determine the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The entity uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, the entity shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, the entity shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The entity recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the entity re-measure the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Accounting Policies

1.28 Employee benefits (continued)

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The entity offsets an asset relating to one plan against a liability relating to another plan when the entity has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

Other long-term employee benefits

The amount recognised as a liability for other long-term service awards is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The entity shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.

1.29 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Accounting Policies

1.29 Segment information (continued)

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

Figures in Rand	2022	2021
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2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

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

GRAP 25 (as revised): Employee Benefits

Background

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

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

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

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

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

Key amendments to GRAP 25

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

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

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

The impact of this revisions is currently being assessed.

GRAP 104 (as revised): Financial Instruments

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

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

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

2. New standards and interpretations (continued)

The most significant changes to the Standard affect:

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

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

The impact of this standard is currently being assessed.

GRAP 2020: Improvements to the standards of GRAP 2020

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

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

Amendments include,

GRAP 5 – Borrowing Costs

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

GRAP 13 – Leases

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

GRAP 16 – Investment Property

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

GRAP 17 – Property, Plant and Equipment

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

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

2. New standards and interpretations (continued)

GRAP 20 – Related Party Disclosures

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

GRAP 24 – Presentation of Budget Information in Financial Statements

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

GRAP 31 – Intangible Assets

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

GRAP 32 – Service Concession Arrangements: Grantor

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

GRAP 37 – Joint Arrangements

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

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

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

Directive 7 – The Application of Deemed Cost

- Clarify that bearer plants within scope of Directive

The effective date of these improvements is 01 April 2023.

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

The impact of this improvements is currently being assessed.

GRAP 1 (amended): Presentation of Financial Statements

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

Summary of amendments are:

Materiality and aggregation

The amendments clarify that:

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

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

2. New standards and interpretations (continued)

Statement of financial position and statement of financial performance

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

Notes structure

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

Disclosure of accounting policies

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

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

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

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

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

3. Cash and cash equivalents

Cash and cash equivalents consist of:

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

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

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

No cash and cash equivalents have been pledged as security.

Short-term investments

ABSA - Investment

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

FNB - Investment

Opening balance	137,000,000	105,000,000
Movements for the year	(8,000,000)	32,000,000
	129,000,000	137,000,000

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

Figures in Rand	2022	2021
3. Cash and cash equivalents (continued)		
INVESTEC - Investment		
Opening balance	141,000,000	109,000,000
Movements for the year	(2,000,000)	32,000,000
	<u>139,000,000</u>	<u>141,000,000</u>
NEDCOR - Investment		
Opening balance	165,000,000	171,000,000
Movements for the year	6,000,000	(6,000,000)
	<u>171,000,000</u>	<u>165,000,000</u>
STANDARD BANK - Investment		
Opening balance	155,000,000	171,000,000
Movements for the year	8,000,000	(16,000,000)
	<u>163,000,000</u>	<u>155,000,000</u>

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2022	30 June 2021	30 June 2020	30 June 2022	30 June 2021	30 June 2020
Nedbank - Primary bank account	6,828,779	7,653,639	8,990,447	6,828,779	7,653,639	8,990,447
Nedbank - Call account	17,500,000	12,500,000	15,000,000	-	-	-
Total	<u>24,328,779</u>	<u>20,153,639</u>	<u>23,990,447</u>	<u>6,828,779</u>	<u>7,653,639</u>	<u>8,990,447</u>

4. Other receivables from exchange transactions

Prepayments	2,278,610	2,280,450
Deposits	4,740	116,738
Insurance claims	40,071	39,420
Municipal health debtor	74,760	133,393
Rental	4,341	25,141
Councillors	22,484	22,378
Accrued interest	17,321,583	11,790,614
Roads services (Department of Transport and Public Works)	26,796,873	6,685,582
Other receivables	174,595	120,376
Post retirement medical aid	225,995	213,473
Allowance for impairment	(129,997)	(127,467)
	<u>46,814,055</u>	<u>21,300,098</u>

Other receivables pledged as security

No other receivables were pledged as security.

Credit quality of other receivables

The credit quality of other receivables that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty defaults. The municipality's historical experience in collection of other trade receivables falls within recorded allowances. Due to these factors, management's view is that no additional risk beyond amounts provided for collection losses is inherent in the municipality's other trade receivables.

Other receivables from exchange transactions

Gross balance		
Other receivables from exchange transactions	46,944,052	21,427,564
	<u>46,944,052</u>	<u>21,427,564</u>

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

Figures in Rand	2022	2021
4. Other receivables from exchange transactions (continued)		
Less: Allowance for impairment		
Other receivables	110,343	108,563
Post retirement medical aid	19,654	18,904
	129,997	127,467
Net balance		
Other receivables from exchange transactions	46,814,055	21,300,097
	46,814,055	21,300,097
Other receivables from exchange transactions		
Current (0-30 days)	27,167,230	7,077,003
31 - 60 days	2,437	323
61 - 90 days	3,482	-
91 - 120 days	-	-
121 - 365 days	-	21,487
> 365 days	18,227	107,843
	27,191,376	7,206,656

None of the financial assets that are fully performing have been renegotiated in the last year.

Prepayments of R 2 278 610 (2021: R 2 280 450) were not included as the future economic benefits relate to the receipt of goods and services. Councillor debt of R 22 484 (2021: R 22 378) was not included as this relate(s) to recoveries still to be concluded at reporting date. The interest accrual of R 17 321 583 (2021: R 11 790 614) was not included in the ageing as it is not due yet.

Other receivables past due but not impaired

Management regard other receivables from exchange transactions for outstanding amounts of more than 30 days as past due. The impairment of other receivables from exchange transactions is based on the historic payment rate of the receivable.

As at 30 June 2022 other receivables of R 46 632 (2021: R 152 031) were past due but not impaired.

No other receivables were pledged as security.

Reconciliation of provision for impairment of other receivables from exchange transactions

Opening balance	(127,467)	(160,018)
Provision for impairment	(5,440)	(25,221)
Unused amounts reversed	2,910	57,772
	(129,997)	(127,467)

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

Figures in Rand	2022	2021
5. Trade Receivables from exchange transactions		
Gross balances		
Fire Fighting	196,611	146,912
Less: Allowance for impairment		
Fire Fighting	(196,611)	(85,926)
Net balance		
Fire Fighting	-	60,986
Fire Fighting		
Current (0 -30 days)	-	-
31 - 60 days	-	23,282
61 - 90 days	50,982	37,705
91 - 120 days	331	18,246
121 - 365 days	28,352	4,524
> 365 days	116,946	63,155
	196,611	146,912
Reconciliation of allowance for impairment		
Balance at beginning of the year	(85,926)	(20,778)
Contributions to allowance	(117,761)	(65,148)
Reversal of allowance	7,076	-
	(196,611)	(85,926)

Trade receivables pledged as security

No trade receivables were pledged as security.

The risk profile of each class of debtor was assessed to determine the allowance for impairment.

No collateral is held for any of the debtors disclosed above.

Credit quality of trade receivables

Due to historic trends that cannot be determined, the credit quality of each individual debtor that are neither due nor past nor impaired was assessed. As per the Credit Control and Debt Collection Policy, all debtors with accounts outstanding for more than 60 days are handed over to the debt collectors of the municipality. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management's view that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

Trade receivables past due but not impaired

The debt originated as a result of firefighting services rendered in terms of the Fire Fighting Act. The impairment for receivables from exchange transactions were calculated based on the assessment of each individual debtor, as a historic payment trend cannot be determined for firefighting debtors.

As at 30 June 2022 trade receivables of R 196 611 (2021: R 146 912) were past due but not impaired.

Trade receivables impaired and provided for

As at 30 June 2022, consumer debtors of Rnil (2021: Rnil) were impaired.

As at 30 June 2022, consumer debtors of R 196 611 (2021: R 85 926) were provided for.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

Figures in Rand	2022	2021
5. Trade Receivables from exchange transactions (continued)		
The ageing of these receivables are as follows:		
Current (0 - 30 days)	-	-
31 - 60 days	-	-
61 - 90 days	50,982	-
91 - 120 days	331	18,246
120 days or more	145,298	67,680
6. Inventories		
Consumable stores	1,905,577	2,688,257
Housing stock	72,940	72,940
	1,978,517	2,761,197

No inventory has been pledged as security.

Consumables valued at R 49 320 (2021: R 91 017) were written off and recognised in the Statement of Financial Performance.

Inventory valued at R 4 160 608 (2021: R 4 791 216) were expensed in the Statement of Financial Performance.

7. VAT receivable

VAT	2,455,080	1,715,323
Statutory receivables		
Gross balances		
VAT receivable	2,455,080	1,715,323
Less: Allowance for impairment		
VAT receivable	-	-
Net balance		
VAT receivable	2,455,080	1,715,323

Transactions arising from statute

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

The VAT receivable recognised at year end is mainly due to the impact of the difference between the input and output VAT recognised during the financial year as well as the accruals raised at year end.

No interest or other charges are levied against the statutory receivable.

Management regard statutory receivables as being impaired on the same basis that other receivables from exchange transactions are assessed for impairment (historic payment rate of the receivable).

Historically, all refunds have been received within 30 days of the submission of the VAT 201 returns to SARS.

Reconciliation of the provision for impairment

The statutory receivable is not considered to be impaired by the municipality as SARS has not defaulted on payments in the past.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

Figures in Rand	2022	2021
7. VAT receivable (continued)		
Receivables past due not impaired		
Statutory receivables which are less than 30 days past due are not considered for impairment. At 30 June 2022, Rnil (2021:Rnil) were past due but not impaired.		
Statutory receivables pledged as security		
No statutory receivables were pledged as security.		
No collateral is held for any of the statutory receivables.		
8. Receivables from non-exchange transactions		
Government grants and subsidies	122,441	83,869
Receivables from non-exchange transactions pledged as security		
No receivables from non- exchange transactions were pledged as security.		
The risk profile of each class of debtor was assessed to determine the allowance for impairment.		
No collateral is held for any of the debtors disclosed above.		
Credit quality of receivables from non-exchange transactions		
The credit quality of other receivables from non-exchange transactions that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.		
Receivables from non-exchange transactions impaired		
As of 30 June 2022, receivables from non-exchange transactions of Rnil (2021: Rnil) were impaired and provided for.		
Net balances		
Government grant and subsidies	122,441	83,869
Government grant and subsidies		
Current (0 - 30 days)	122,441	83,869
Reconciliation of allowance for impairment of receivables from non-exchange transactions		
Opening balance	-	-

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

Figures in Rand	2022			2021		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	66,454,904	-	66,454,904	66,384,904	-	66,384,904
Buildings	49,343,791	(27,055,598)	22,288,193	48,802,292	(25,945,803)	22,856,489
Plant and machinery	22,527,031	(13,116,356)	9,410,675	22,251,131	(11,906,662)	10,344,469
Furniture and fixtures	8,783,367	(5,701,980)	3,081,387	8,684,843	(5,451,555)	3,233,288
Motor vehicles	52,054,371	(27,465,105)	24,589,266	52,054,371	(23,905,410)	28,148,961
Office equipment	29,022,105	(14,261,777)	14,760,328	30,116,431	(13,736,050)	16,380,381
Infrastructure	3,920,746	(1,107,189)	2,813,557	3,771,745	(982,759)	2,788,986
Other property, plant and equipment	9,113,349	(4,544,636)	4,568,713	8,752,789	(4,169,344)	4,583,445
Total	241,219,664	(93,252,641)	147,967,023	240,818,506	(86,097,583)	154,720,923

Criteria for determination for classification between Property, plant and equipment and Investment property.

The criteria created to identify whether an asset meets the definition of Property, plant and equipment (PPE) or Investment property have been determined as follows:

a) In the instance where the property yield rentals, where a significant portion of the property is held for administrative purposes and an insignificant portion is held for rentals, the total property will be evaluated as PPE and not as investment property. This will apply even if the intention is to rent the property out for a prolonged period.

b) Where a significant portion (more than 50%) of the total property including land and all other buildings is held for rentals, the property will be classified as investment property. This will apply even if management intends to rent the property out for a prolonged period.

A property consisting of a parking area, is rented to the public, and a significant portion of the property (land and buildings) is held by the municipality for administrative purposes.

The consideration of a new lease is based on the need of the municipality prior to expiry of the existing lease agreements. The property meet the criteria set out above as Property, plant and equipment and has been classified as PPE.

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

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Depreciation	Total
Land	66,384,904	70,000	-	-	66,454,904
Buildings	22,856,489	541,500	-	(1,109,796)	22,288,193
Plant and machinery	10,344,469	560,382	(55,090)	(1,439,086)	9,410,675
Furniture and fixtures	3,233,288	256,482	(8,235)	(400,148)	3,081,387
Motor vehicles	28,148,961	-	-	(3,559,695)	24,589,266
Office equipment	16,380,381	960,588	(115,232)	(2,465,409)	14,760,328
Infrastructure	2,788,986	149,000	-	(124,429)	2,813,557
Other property, plant and equipment	4,583,445	557,292	-	(572,024)	4,568,713
	154,720,923	3,095,244	(178,557)	(9,670,587)	147,967,023

Included in additions of Office equipment is an amount of R17 374 that relates to work-in progress.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

Figures in Rand 2022 2021

9. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Depreciation	Total
Land	66,384,904	-	-	-	66,384,904
Buildings	23,164,704	776,559	-	(1,084,774)	22,856,489
Plant and machinery	11,109,923	671,937	(21,411)	(1,415,980)	10,344,469
Furniture and fixtures	3,050,628	548,892	(1,664)	(364,568)	3,233,288
Motor vehicles	31,168,049	-	(49,509)	(2,969,579)	28,148,961
Office equipment	16,006,943	3,071,562	(58,492)	(2,639,632)	16,380,381
Infrastructure	2,712,866	193,391	-	(117,271)	2,788,986
Other property, plant and equipment	4,847,054	260,209	(5,683)	(518,135)	4,583,445
	158,445,071	5,522,550	(136,759)	(9,109,939)	154,720,923

Reconciliation of repairs and maintenance - 2022

	Contracted services	Employee related cost	Materials and supplies	Total
Buildings	2,122,062	1,635,474	30,466	3,788,002
Office equipment	703,012	-	46,690	749,702
Plant and equipment	115,124	-	5,526	120,650
Motor vehicles	863,992	-	451,928	1,315,920
Infrastructure	-	-	-	-
Other	-	-	2,090	2,090
Furniture and fittings	38,113	-	-	38,113
	3,842,303	1,635,474	536,700	6,014,477

Reconciliation of repairs and maintenance - 2021

	Contracted services	Employee related cost	Materials and supplies	Total
Buildings	968,361	2,054,835	60,524	3,083,720
Office equipment	671,627	-	35,916	707,543
Plant and equipment	105,924	-	3,074	108,998
Motor vehicles	1,445,352	-	673,031	2,118,383
Infrastructure	1,620	-	-	1,620
Other	91,018	-	-	91,018
	3,283,902	2,054,835	772,545	6,111,282

A register containing the information required by section 63 of the MFMA is available for inspection at the registered office of the municipality.

No assets have been pledged as security.

Other property, plant and equipment were split into the various classes as disclosed in the note for both the current and prior year.

An impairment assessment was performed based on the indicators as listed in the accounting policy under paragraph 1.4 Property, plant and equipment. No potential impairment losses have been recognised on Property, Plant and Equipment of the municipality at the reporting date.

A review of useful lives of property, plant and equipment was done. Management considers whether there is any indication that expectations about the useful life of an asset have changed since the previous reporting date. There were changes in the estimated useful lives of various assets during the financial year. Refer to Note 41 for details relating to the change in accounting estimates.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

Figures in Rand 2022 2021

10. Intangible assets

	2022			2021		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	1,902,361	(1,335,746)	566,615	1,864,203	(1,205,277)	658,926

Reconciliation of intangible assets - 2022

	Opening balance	Additions	Amortisation	Total
Computer software, other	658,926	38,157	(130,468)	566,615

Reconciliation of intangible assets - 2021

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software, other	737,930	79,668	(30,293)	(128,379)	658,926

Included in additions of Intangible assets is an amount of R79 668 that relates to work-in progress. Included in note 48, Capital commitments, is R38 157 that relates to the development cost of a new website that were incomplete at year end.

11. Unspent conditional grants and receipts

Community development workers (CDW) operational support grant	204,046	169,127
Integrated transport planning	672,322	822,456
Local Government Financial Management Grant	154,932	-
Fire service capacity building grant	1,046,000	1,046,000
Local Government Public Employment Support Grant	200,000	-
Rural roads asset management system grant (RRAMS)	2,748,000	2,711,000
Local government internship grant	46,000	31,545
Safety initiative implementation - Whole of society approach (WOSA)	353,921	294,601
Expanded Public Works Programme Integrated grant for Municipalities	100,000	-
Public contributions and donations	251,005	260,592
	5,776,226	5,335,321

See note 21 & 22 for reconciliation of grants from National/Provincial Government.

These amounts are invested in a ring-fenced investment until utilised. (refer to note 3)

12. Payables from exchange transactions

Other payables	213,412	171,457
Creditor accruals	2,770,072	5,380,169
Working for water (Department of Environmental Affairs)	-	812,430
Payments received in advanced	67,357	46,022
Trade payables	1,861,494	1,010,991
Unclaimed funds	553	550
	4,912,888	7,421,619

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

Figures in Rand	2022	2021
13. Employee benefits		
Current employee benefits		
Employee benefit accruals	2,576,834	1,764,901
Current: Medical aid liability	8,964,681	8,397,000
Provision staff leave	17,376,311	17,829,700
13th Cheque	5,259,102	5,145,928
Current: Ex- gratia benefit	204,000	8,000
Current: Long term service award	1,788,000	1,847,000
Performance bonus	898,137	630,219
	37,067,065	35,622,748
Other long term employee benefits		
Long service award	13,339,999	12,465,999
Post-employee benefits		
Post-Retirement Medical aid benefits	135,612,320	131,275,001
Ex-gratia benefit	884,001	968,001
	136,496,321	132,243,002
Current liability	37,067,065	35,622,748
Non-current liability	149,836,320	144,709,001
	186,903,385	180,331,749

The municipality finalised a Medical Funds Administration Policy that was approved by Council which invariably impact on the actuarial assumptions that informs the valuation and measurement of this provision.

Post-retirement and medical aid benefits

The municipality offers employees and continuation members the opportunity of belonging to one of several medical schemes, most of which offer a range of options pertaining to levels of cover.

Upon retirement, an employee may continue membership of the medical scheme. Upon a member's death in service or death-in-retirement, the surviving dependents may continue membership of the medical scheme.

In- service members will receive a post- employment subsidy of 60% or 70% of the contribution payable should they be a member of a medical aid at retirement.

All continuation members and their eligible dependents receive a 60% or 70% subsidy.

Upon a member's death-in-service or death-in-retirement the surviving dependents will continue to receive the same subsidy.

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

- Bonitas
- Key Health
- Samwumed
- Hosmed
- LA Health

Details relating to eligible employees of the post-retirement medical aid benefit obligation are listed below:

Active members

Principal members	271	291
Average age	49.4	48.3
Average past service cost	R19,4 million	R18,3 million

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

Figures in Rand	2022	2021
13. Employee benefits (continued)		
Continuation members		
Principal members	149	148
Average age	71.9	72.0
The amounts recognised in the Statement of Financial Position are -		
Projected benefit obligation	144,577,000	139,672,000
	144,577,000	139,672,000
The obligation in respect of past services has been estimated as follows:		
Active members	46,192,000	47,067,000
Continuation members	98,385,000	92,605,000
Net obligation	144,577,000	139,672,000
The amounts recognised in the Statement of Financial Performance are-		
Current service cost	2,946,000	2,618,000
Interest cost	17,502,000	20,739,000
Recognised actuarial (gains)/losses	(7,501,911)	(7,443,229)
Amount charged to Statement of Financial Performance	12,946,089	15,913,771

The future service cost for the ensuing financial period is estimated to be R2 002 000, whereas the interest cost for the next year is estimated to be R16 695 000.

The best estimates for the employer benefit payments in the 2022/23 financial period is expected to be R 8 964 681.

Movements in the present value of the defined benefit obligation were as follows:

Opening benefit obligation liability	139,672,000	131,534,500
Payments to members	(8,041,089)	(7,776,271)
Charge to Statement of Financial Performance	12,946,089	15,913,771
Closing benefit liability	144,577,000	139,672,000

GRAP 25 stipulates that the choice of the discount rate should be derived from government bond yields consistent with the estimated term of the post-employment liabilities. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments, current market rates of the appropriate term should be used to discount shorter term payments, and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

The nominal and real zero curves as at 30 June 2022 supplied by the JSE is used to determine the discount rates and CPI assumptions at each relevant time period. In the event that the valuation is performed prior to the effective valuation date, the prevailing yield at the time of performing the calculations is utilised. This methodology was changed from a point estimate in order to present a more accurate depiction of the liability. Previously only one discount rate was used to value all the liabilities.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

Figures in Rand 2022 2021

13. Employee benefits (continued)

Key actuarial assumptions

Discount rate	Yield Curve
Health care inflation	CPI + 1.5%

Sensitivity Analysis on current-service and interest cost:

Assumption	Change	Current service cost	Interest cost	Total	% change
Central Assumptions		2,022,000	16,695,000	18,697,000	
Health care inflation	1 %	2,260,000	18,281,000	20,541,000	10 %
	-1 %	1,730,000	15,182,000	16,912,000	-10 %
Post- retirement mortality	20%	1,855,000	15,479,000	17,334,000	-7 %
	-20%	2,179,000	18,206,000	20,385,000	9 %

Sensitivity analysis on the benefit liability:

Assumption	Change	Liability	% change
Central assumptions		144,577,000	
Health care inflation	1 %	157,863,000	9%
	-1 %	131,916,000	-9 %
Post- retirement mortality	20%	134,365,000	-7 %
	-20%	157,269,000	9 %

History of Liabilities and Experience Adjustments	30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022
Accrued liability	153,142,000	140,285,000	131,534,500	139,672,000	144,577,000
Experience adjustment	221,000	(2,278,000)	-	-	-

In terms of the memorandum of Agreement between the WCPG, Department of Transport and Public Works, and the past experience hereon, funds will be made available to maintain the approved organogram of the roads division in the municipality. The future claim for roads staff for post employment medical aid has therefore been raised as an employee benefit asset.

Employee benefit asset

Opening balance	10,555,196	7,433,141
Current service cost	870,000	803,000
Payment received from WCPG	(3,589,525)	(2,028,365)
Interest cost	5,169,000	5,477,000
Benefits paid	(2,449,475)	(2,316,195)
Interest on payments from WCPG	(1,674,022)	(1,512,780)
Actuarial loss / (gain)	(946,525)	2,699,395
	7,934,649	10,555,196
Reconciliation of employee benefit asset		
Current asset	2,721,827	2,480,000
Non-current asset	5,212,822	8,075,196
	7,934,649	10,555,196

The assumptions used by the actuaries to calculate the portion of the roads staff is the same as was used to calculate the amount recognised as post employment medical aid.

The amounts recognised as the current portion is equal to the amount as recognised in the valuation report for the respective financial years.

Cape Winelands District Municipality

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13. Employee benefits (continued)

Ex-gratia benefits

The ex-gratia pensions are pensions that are paid by the municipality from its revenue i.e. and are not funded or paid from one of the municipality's formalised pension arrangements.

All employees who did not participate in the municipality's formal pension funds are entitled to a Revenue Pension, which are sometimes referred to as "Ex-gratia" pensions.

Details of employees eligible for ex-gratia benefits are detailed below:

Members

In-service employee for ex-gratia pension	5	5
In-service employees eligible for lump sum benefit on retirement	4	5

Average age in years

In-service employee for ex-gratia pension	59.73	38.87
In-service employees eligible for lump sum benefit on retirement	60.04	58.91

The amount recognised in the Statement of Financial Position are:

Projected benefit obligation	1,088,000	976,000
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The amount recognised in the Statement of Financial Performance are:

Interest cost	74,000	74,000
Recognised actuarial (Gain) / Loss	39,524	245,170
	113,524	319,170

The future service cost for the ensuing financial year is estimated to be R nil, whereas the interest cost for the next financial year is estimated to be R84 000.

The best estimates for the employer benefit payments in the 2022/23 financial year is expected to be R 204 000.

GRAP 25 stipulates that the choice of the discount rate should be derived from government bond yields consistent with the estimated term of the post-employment liabilities. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments, current market rates of the appropriate term should be used to discount shorter term payments, and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

The rate is calculated by using the implied duration of the liability to obtain an appropriate interest rate on the yield curve. The nominal and real zero curves as at 30 June 2022 were supplied by the JSE to determine the discounted rates and CPI assumptions.

Movements in the present value of the defined benefit obligation were as follows:

Opening benefit obligation	976,001	1,429,001
Payments to members	(1,524)	(772,170)
Actuarial (Gain) / Loss	39,524	245,170
Interest and service cost	74,000	74,000
Closing benefit obligation	1,088,001	976,001

Key actuarial assumptions

Discount rate	7.71 %	7.59 %
CPI inflation rate	6.37 %	4.87 %
Salary inflation rate	7.37 %	5.87 %

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

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Figures in Rand 2022 2021

13. Employee benefits (continued)

Sensitivity analysis on the benefit obligation:

Assumption	Change	Total Liability	% change
Central Assumptions		1,086,000	
Benefit Inflation rates	1 %	1,104,000	2 %
	-1 %	1,067,000	-2 %

Sensitivity analysis on the interest cost:

Assumption	Change	Interest cost	% change
Central Assumptions		84,000	
Benefit Inflation rates	1 %	85,000	1%
	-1 %	82,000	-2%

History of Liabilities, Assets and Experience Adjustments	30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022
Accrued liability	1,841,349	1,559,725	1,429,000	976,000	1,088,000
Experience adjustment	(238,197)	(152,346)	-	-	-

Long service awards

The municipality offers employees a long service award for every five years of service completed from ten years of service to forty five years of service.

Details of employees eligible for long service awards are detailed below:

Members	397	407
Average age in years	47	47

The amounts recognised in the Statement of Financial Position are:

Projected benefit obligation	15,128,000	14,313,000
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The amounts recognised in the Statement of Financial Performance are:

Current service cost	881,000	852,000
Interest cost	1,489,000	1,649,000
Recognised actuarial (gain) / losses	145,400	115,006

Amount charged to Statement of Financial Performance

2,515,400	2,616,006
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The future service cost for the ensuing financial year is estimated to be R948 000, whereas the interest cost for the next financial year is estimated to be R1 752 000.

The best estimates for the employer benefit payments in the 2022/23 financial period is expected to be R1 788 000.

GRAP 25 stipulates that the choice of the discount rate should be derived from government bond yields consistent with the estimated term of the post-employment liabilities. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments, current market rates of the appropriate term should be used to discount shorter term payments, and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

A discount rate on a yield curve has been used. The nominal and real zero curves as at 30 June 2022 supplied by the JSE was used to determine the discounted rates and CPI assumptions at each relevant time period. This methodology was followed to present a more accurate depiction of the liability.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

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Figures in Rand 2022 2021

13. Employee benefits (continued)

The underlying future rate of the consumer price index (CPI inflations) from the relationship between the (yield curve based) Conventional Bond Rate for each relevant time period and the (yield curve based) Inflation-linked Bond rate for each relevant time period. A general earnings inflation rate equal of CPI +1% over the expected term of the liability has been assumed.

Movements in the present value of the benefit obligation were as follows:

Opening benefit obligation	14,313,000	13,877,000
Payment to members (benefits vesting)	(1,700,400)	(2,180,006)
Actuarial (Gain) / Loss	145,400	115,006
Interest and service cost charged to Statement of Financial Performance	2,370,000	2,501,000
Closing benefit obligation	15,128,000	14,313,000

Key actuarial assumptions

Discount rate	Yield Curve	Yield Curve
Salary inflation	CPI +1%	CPI +1%
Average retirement age	62	62

Assumptions	Change	Liability	% change
Central Assumptions		15,128,000	
General salary inflation	1%	16,080,000	6%
	-1%	14,259,000	-6%
Withdrawal rates	20%	14,654,000	-3%
	-20%	15,637,000	3%

Assumption	Change	Current service cost	Interest cost	Total	% change
Central assumptions		948,000	1,752,000	2,700,000	
General salary inflation	1 %	1,023,000	1,869,000	2,892,000	7 %
	-1 %	880,000	1,645,000	2,525,000	-6 %
Withdrawal rates	20%	902,000	1,693,000	2,595,000	-4 %
	-20 %	998,000	1,815,000	2,813,000	4 %

History of Liabilities and Experience Adjustments	30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022
Accrued liability	12,376,146	12,707,467	13,877,000	14,313,000	15,128,000
Experience adjustment	732,735	927,882	-	-	-

Retirement benefit information

The municipality makes provision for post-retirement benefits to eligible Councillors and employees who belong to different pension schemes. These funds are governed by the Pension Funds Act and include both defined benefit and defined contribution schemes.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where councillors / employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

These schemes are multi employer plans and are subject to a tri-annual, bi-annual or annual actuarial valuation as set out hereunder.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

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13. Employee benefits (continued)

a) LA Retirement Fund (Previously: Cape Joint Pension Fund)

The LA Retirement Fund operates both as a defined benefit and defined contribution scheme.

This defined benefit plan is accounted for as a defined contribution plan as the municipality's liability in the proportionate share of actuarial gains and losses cannot readily be determined.

Defined Benefit Scheme

The contribution rate payable is under the defined benefit section is 27%, 9% by the members and 18% by their councils. The actuarial valuation report at 30 June 2021 disclosed an actuarial valuation amounting to R 1 486 110 000 (30 June 2020 : R 1 420 856 000), with a nett accumulated surplus of R 69 420 000 (2020 : Rnil), with a funding level of 104.9% (30 June 2020 : 100%).

Defined Contribution Scheme

The actuarial valuation report at 30 June 2021 indicated that the defined contribution scheme of the fund is in a sound financial position, with assets amounting to R2 082 488 000 (30 June 2020 : R1 891 631 000), net investment reserve of Rnil (30 June 2020 : Rnil) and with a funding level of 100% (2020 : 100%).

The actuary concluded that:

- The Defined Benefit Section is in a sound financial condition with a funding level of 104.9% as at 30 June 2021.
- The Defined Contribution Section of the fund was in a sound financial condition with a funding level of 100% as at 30 June 2021.
- Overall the fund is in a sound financial condition with an overall funding level of 102.0%.
- The Trustees awarded a 3.41% pension increase effective 1 January 2022.
- The Trustees awarded 100% of monthly pension bonus to pensioners payable in December 2021.

b) Consolidated Retirement Fund for Local Government (Previously: Cape Joint Retirement Fund)

The contribution rate for members is 7.5% of basic salary, whilst the respective Local Authorities are contributing 19.5%.

The fund provides defined contribution benefits to its active members and deferred members. The benefit payable on exit of a member is the Member's Share. This is broadly equal to the contributions (after costs) with the addition of investment returns.

The last statutory valuation performed as at 30 June 2021 revealed that the net assets of the fund amounted to R34 148 081 000 (30 June 2020: R28 424 000 000), with funding levels of 133% and 100.5% (30 June 2020: 132.2% and 100.5%) for the Pensions Account and the Share Account respectively. The contribution rate paid by the members (7,50%/9%) and the municipalities (7,50%/19,5%) is sufficient to fund the benefits accruing from the fund in the future. The actuary certified that the structure of the assets is appropriate relative to the nature of the liabilities, given normal circumstances and that the Fund is in a sound financial condition as at the valuation date.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

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13. Employee benefits (continued)

c) The Municipal Workers Retirement Fund (Previously: SAMWU National Provident Fund)

The Municipal Workers Retirement Fund is a defined contribution scheme. Members contribute at a rate of not less than 7.5% of salaries, as required by the Rules. The employers contribute at a total rate of not less than 18%. From 1 July 2017, members and employers that fall under other bargaining councils or forums are not bound by the above minimum contribution rates. The statutory valuation performed as at 30 June 2017 revealed that the assets of the fund amounted to R7 720 948 000 (30 June 2014 : R6 574 775 000), with funding levels of 102.0% (30 June 2014: 111.7%). As a percentage of members' Fund Credits, the investment smoothing reserve has decreased from 5.6% to 4.9% over the valuation period. As a percentage of the market value of assets, it has decreased marginally from 4.6% to 4.4%. The Fund's assets are sufficient to cover the members' Fund Credits, the targeted levels of the risk benefits reserve and the data and processing error reserve, and an investment smoothing reserve of 4.9% of members' Fund Credits as at 30 June 2017. In addition, there is brought-forward surplus of some R152.8 million which has been allocated to former members and is awaiting payment. The Fund is therefore in a sound financial position.

d) The Municipal Councillors Pension Fund

The Municipal Councillors Pension Fund operates as a defined contribution scheme. The statutory valuation performed as at 30 June 2018 revealed that the assets of the fund amounted to R1 798 030 000 (30 June 2015 : R2 551 861 000), with funding levels of 103.26% (30 June 2015: 101.08%). The contribution rate paid by the members (13,75%) and council (15%) is sufficient to fund the benefits accruing from the fund in the future. The Actuary certified that the Fund was in a sound financial condition as at 30 June 2018, in that the assets of the fund were sufficient to cover the accrued service liabilities including the recommended contingency reserves in full.

The appointment of a Curator in terms of section 5(1) of the Financial Institutions (protection of funds) Act 2001 for the whole of the business of the Municipal Councillors Pension Fund was done in December 2017. Due to the provisional curatorship, a short monatorium has been placed on the payment of benefits to members/beneficiaries. In terms of the curatorship order, the Court ordered as follows: 1. The provisional Curatorship order of the 19th December 2017 is made final; 2. The Curator shall furnish the Registrar of the Pension Fund with progress report; 3. The Curator must deliver a further progress report to the Court by no later than 31st October 2018 which report deals with the status of curatorship as at the 30th September 2018; on the curatorship once every two months.

14. Accumulated surplus

Ring-fenced internal funds and reserves within accumulated surplus - 2022

	Capital replacement reserve	Government grant reserve	Accumulated surplus	Total
Opening balance	65,457,033	2,941,714	696,516,279	764,915,026
Surplus for the year	-	-	35,616,358	35,616,358
Transfer to capital replacement reserve	16,000,000	-	(16,000,000)	-
Property, plant and equipment purchases	(2,150,006)	(54,315)	2,204,321	-
	79,307,027	2,887,399	718,336,958	800,531,384

Ring-fenced internal funds and reserves within accumulated surplus - 2021

	Capital replacement reserve	Government grant reserve	Accumulated surplus	Total
Opening balance	70,766,026	3,155,272	654,561,767	728,483,065
Surplus for the year	-	-	36,431,962	36,431,962
Property, plant and equipment purchases	(5,308,992)	(213,558)	5,522,550	-
	65,457,034	2,941,714	696,516,279	764,915,027

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

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Figures in Rand	2022	2021
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15. Provisions

Reconciliation of provisions - 2022

	Opening Balance	Additions	Utilised during the year	Total
Provision (Insurance claims)	6,440	43,276	(6,440)	43,276
			<u>(6,440)</u>	<u>43,276</u>

Reconciliation of provisions - 2021

	Opening Balance	Additions	Utilised during the year	Total
Provision (Insurance claims)	57,263	6,440	(57,263)	6,440
			<u>(57,263)</u>	<u>6,440</u>

The provision relates to insurance claims, which were not finalised at year end, but were finalised before the financial statements was authorised for issue.

16. Service charges

Fire service charges	<u>182,762</u>	<u>194,644</u>
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17. Rental of facilities and equipment

Premises	<u>229,048</u>	<u>238,615</u>
	<u>229,048</u>	<u>238,615</u>

The lease agreement between CWDM and the lessee came to an end on 30 June 2022.

18. Roads services

Department of Transport and Public Works	<u>105,635,889</u>	<u>105,032,933</u>
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The municipality has a service level agreement with the WCPG, The Department of Transport and Public Works for rendering of services regarding the roads function within the jurisdiction of the CWDM.

The allocation received from the Department of Transport and Public Works was revised to R103 020 000 (Previous: R117 080 000) during quarter three of the current financial year.

19. Other income

Brokerage	63,223	60,716
LG SETA refund	384,462	252,413
Electricity income (Eerste Begin)	21,157	12,944
Insurance income	54,612	208,613
Tender document income	1,052	765
Municipal health income	739,566	669,682
Miscellaneous income	47,055	10,985
	<u>1,311,127</u>	<u>1,216,118</u>

20. Investment revenue

Interest on investments	<u>40,295,365</u>	<u>38,231,810</u>
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Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

Figures in Rand	2022	2021
21. Government grants & subsidies		
Operating grants		
Equitable share	2,662,000	2,512,000
Sandhills - toilet hire	498,134	984,484
RSC Levy Replacement grant	242,546,000	236,373,000
Expanded Public Works Programme Integrated Grant for Municipalities	1,313,000	1,503,000
Community development workers (CDW) operational support grant	41,081	8,760
Local government financial management grant	845,068	1,000,000
Local government internship grant	55,545	128,455
Integrated transport planning	1,050,134	952,795
Joint district and metro approach	2,000,000	-
Safety initiative implementation - Whole of society approach (WOSA)	2,263,681	2,134,550
	<u>253,274,643</u>	<u>245,597,044</u>

Conditional and Unconditional

Included in above are the following grants and subsidies received:

Equitable share	2,662,000	2,512,000
RCS Levy Replacement grant	242,546,000	236,373,000
	<u>245,208,000</u>	<u>238,885,000</u>

Equitable Share

The Equitable Share is the conditional share of the revenue raised nationally and is allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

Community development workers (CDW) operational support grant

Balance unspent at beginning of year	169,127	102,887
Current-year receipts	76,000	75,000
Conditions met - transferred to revenue	(41,081)	(8,760)
	<u>204,046</u>	<u>169,127</u>

Conditions still to be met - remain liabilities (see note 11).

Strategic Objective: Community Development and Planning Services.

To provide financial assistance to municipalities to cover the operational and capital costs pertaining to the line functions of the community development workers including the supervisors and regional coordinators.

Integrated transport planning

Balance unspent at beginning of year	822,456	875,250
Current-year receipts	900,000	900,000
Conditions met - transferred to revenue	(1,050,134)	(952,794)
	<u>672,322</u>	<u>822,456</u>

Conditions still to be met - remain liabilities (see note 11).

Strategic Objective: Technical Services.

The funds were utilised to review and update municipal Integrated Transport Plans in terms of the National Land Transport Act, 2009 (Act No. 5 of 2009).

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

Figures in Rand	2022	2021
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21. Government grants & subsidies (continued)

Local government financial management grant

Balance unspent at beginning of year	-	-
Current-year receipts	1,000,000	1,000,000
Conditions met - transferred to revenue	(845,068)	(1,000,000)
	154,932	-

Conditions still to be met - remain liabilities (see note 11).

Strategic Objective: Financial and Strategic Support Services.

To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act.

This grant was mainly utilised to improve on the municipality's audit outcome, the upgrade and maintenance of financial management systems and to implement National Treasury's internship programme.

Fire service capacity building grant

Balance unspent at beginning of year	1,046,000	1,046,000
	1,046,000	1,046,000

Conditions still to be met - remain liabilities (see note 11).

Strategic Objective: Community Development and Planning Services.

To provide financial assistance to municipalities to ensure functional emergency communication, mobilisation systems and fire services.

Water and sanitation

Balance unspent at beginning of year	-	35,560
Refund of unspent portion	-	(35,560)
	-	-

Strategic Objective: Technical Services

No funds were utilised during the 2019/2020 financial year and the funds were repaid to the Department of Human Settlements during the 2020/2021 financial year.

Sandhills-toilet hire

Balance unspent at beginning of year	-	-
Current-year receipts	498,134	984,484
Conditions met - transferred to revenue	(498,134)	(984,484)
	-	-

Strategic Objective: Technical Services.

The allocation is made to the municipality by the Department of Transport and Public Works as a refund for temporary toilets hired in Sandhills.

Cape Winelands District Municipality

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Figures in Rand	2022	2021
21. Government grants & subsidies (continued)		
Local Government Public Employment Support Grant		
Current-year receipts	200,000	-
Conditions still to be met - remain liabilities (see note 11).		
Strategic Objective: The Office of the Municipal Manager		
To coordinate and ensure the implementation of targeted, short term public employment programmes for communities identified as being in distress, through conditional transfers to local and district municipalities and the Metro in the Western Cape.		
Joint District and Metro Approach Grant		
Current-year receipts	2,000,000	-
Conditions met - transferred to revenue	(2,000,000)	-
	-	-
Strategic Objective: The Office of the Municipal Manager		
To provide financial assistance to district municipalities to implement catalytic projects to improve infrastructure, systems, structures and service delivery.		
Rural Roads Asset Management Systems grant (RRAMS)		
Balance unspent at beginning of year	2,711,000	2,849,000
Current-year receipts	2,748,000	2,711,000
Refund unspent portion	(2,711,000)	(2,849,000)
	2,748,000	2,711,000
Conditions still to be met - remain liabilities (see note 11).		
Strategic Objective: Technical Services.		
The purpose is to assist rural district municipalities in setting up their road asset management systems and collect road and traffic data in line with the Road Infrastructure Strategic Framework for South Africa (RISFSA).		
Local Government Internship Grant		
Balance unspent at beginning of year	31,545	160,000
Current-year receipts	70,000	-
Conditions met - transferred to revenue	(55,545)	(128,455)
	46,000	31,545
Conditions still to be met - remain liabilities (see note 11).		
Strategic Objective: Financial and Strategic Support Services.		
The purpose of the grant is to provide financial assistance to municipalities in support of capacity building for the future by means of an internship programme.		

Cape Winelands District Municipality

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Figures in Rand	2022	2021
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21. Government grants & subsidies (continued)

Safety initiative implementation - Whole of society approach (WOSA)

Balance unspent at beginning of year	294,601	329,151
Current-year receipts	2,323,000	2,100,000
Conditions met - transferred to revenue	(2,263,680)	(2,134,550)
	353,921	294,601

Conditions still to be met - remain liabilities (see note 11).

Strategic Objective: Community Development and Planning Services.

To enable a resilient, sustainable, quality living environment through the operationalisation of a Safety Plan.

Expanded Public Works Programme Integrated Grant for Municipalities

Current-year receipts	1,413,000	1,503,000
Conditions met - transferred to revenue	(1,313,000)	(1,503,000)
	100,000	-

Conditions still to be met - remain liabilities (see note 11).

Strategic Objective: Financial and Strategic Support Services, Community Development & Planning Services and Technical Services.

This grant incentivises the municipality to expand job creation efforts through the use of labour intensive delivery methods in various identified focus areas, in compliance with the Expanded Public Works Programme Guidelines.

The grant contributed towards increased levels of employment in areas where unemployment is relatively high as well as providing work experience and gaining expertise through in house training.

22. Public contributions and donations

Public contributions and donations	938,667	17,240
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Reconciliation of conditional contributions

Balance unspent at beginning of year	260,592	727,945
Current-year receipts	929,080	-
Conditions met - transferred to revenue	(938,667)	(17,240)
Refund of unspent portion	-	(450,113)
	251,005	260,592

Conditions still to be met - remain liabilities (see note 11)

2022	Balance unspent at beginning of year	Current year receipts	Conditions met - transferred to revenue	Refund of unspent portion	Balance unspent at the end of the year
Road station road Ceres	260,592	-	(9,587)	-	251,005
Donation: Nieuwedrift	-	840,000	(840,000)	-	-
Donation: Laptops	-	89,080	(89,080)	-	-
	260,592	929,080	(938,667)	-	251,005

Cape Winelands District Municipality

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Figures in Rand	2022	2021			
22. Public contributions and donations (continued)					
2021	Balance unspent at beginning of year	Current year receipts	Conditions met - transferred to revenue	Refund of unspent portion	Balance unspent at the end of the year
Road station road Ceres	277,832	-	(17,240)	-	260,592
Upgrade of Rural Roads: De Novo	450,113	-	-	(450,113)	-
	727,945	-	(17,240)	(450,113)	260,592
23. Employee related costs					
Basic				125,505,846	121,712,558
Bonus				9,784,549	9,817,509
Medical aid - company contributions				12,700,772	12,492,678
UIF				878,427	771,951
WCA				1,069,362	976,739
Leave pay provision charge				908,552	2,606,703
Defined contribution plans				21,218,567	20,644,967
Travel, motor car, accommodation, subsistence and other allowances				12,321,954	12,274,761
Overtime payments				8,032,490	8,363,816
Acting allowances				51,921	169,296
Housing benefits and allowances				4,630,094	4,801,378
Other allowances				8,165,063	6,691,517
Group schemes				2,457,987	1,535,395
Telephone				689,855	697,111
Performance bonus				1,150,225	630,219
Current service cost				2,957,000	2,667,000
Actuarial loss / (gain)				(6,370,462)	(9,782,448)
				206,152,202	197,071,150
2022	Long service awards	Ex gratia	PRMA	Less: Funded asset	Total
Current service cost	881,000	-	2,946,000	(870,000)	2,957,000
Net actuarial (gains)/ losses recognised	145,400	39,524	(7,501,911)	946,525	(6,370,462)
	1,026,400	39,524	(4,555,911)	76,525	(3,413,462)
2021	Long service awards	Ex gratia	PRMA	Less: Funded asset	Total
Current service cost	852,000	-	2,618,000	(803,000)	2,667,000
Net actuarial (gains)/ losses recognised	115,006	245,170	(7,443,229)	(2,699,395)	(9,782,448)
	967,006	245,170	(4,825,229)	(3,502,395)	(7,115,448)

Cape Winelands District Municipality

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Notes to the Financial Statements

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23. Employee related costs (continued)

Remuneration of senior management

2022	Basic salary	Car allowance	Performance bonuses	Contribution to UIF, medical and pension funds	Other	Total
Municipal Manager	1,255,967	360,000	237,800	84,731	24,000	1,962,498
Chief Financial Officer	1,133,971	240,000	222,331	272,771	24,000	1,893,073
ED: Community development and planning services	1,095,369	300,000	199,844	34,216	24,000	1,653,429
ED: Technical services	1,204,923	150,000	222,331	272,974	24,000	1,874,228
	4,690,230	1,050,000	882,306	664,692	96,000	7,383,228
2021	Basic Salary	Car allowance	Performance bonuses	Contribution to UIF, medical and pension funds	Other	Total
Municipal Manager	1,260,503	360,000	169,857	79,883	24,000	1,894,243
Chief Financial Officer	997,776	240,000	151,246	243,964	132,154	1,765,140
ED: Community development and planning services	1,096,848	300,000	70,520	32,424	24,000	1,523,792
ED: Technical services	1,161,269	150,000	151,246	253,417	24,000	1,739,932
	4,516,396	1,050,000	542,869	609,688	204,154	6,923,107

The following accrued to key management personnel in terms of GRAP 25 at year end:

Staff leave

Municipal Manager	322,510	205,211
Chief Financial Officer	72,654	57,401
ED: Community development and planning services	45,862	68,793
ED: Technical Services	66,049	89,290
	507,075	420,695

Cape Winelands District Municipality

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24. Remuneration of councillors

Executive Mayor	1,045,223	1,091,397
Deputy Mayor	535,226	554,727
Speaker	843,164	881,997
Other Councillors	10,320,892	10,129,062
	12,744,505	12,657,183

2022	Salaries	Contribution to medical and pension funds	Car allowance	Other	Total
Executive Mayor	361,976	106,796	169,337	407,114	1,045,223
Deputy Mayor - D Swart	160,367	-	43,857	-	204,224
Deputy Mayor - M Sampson	257,691	13,312	60,000	-	331,003
Speaker - C Meyer	230,961	27,732	36,168	27,083	321,944
Speaker - D Joubert	402,033	30,697	64,853	23,636	521,219
Other Councillors	7,887,635	351,714	1,459,220	622,324	10,320,893
	9,300,663	530,251	1,833,435	1,080,157	12,744,506

2021	Salaries	Contribution to medical and pension funds	Car allowance	Other	Total
Executive Mayor	364,712	110,162	180,000	436,523	1,091,397
Deputy Mayor	432,026	-	122,701	-	554,727
Speaker	627,609	78,799	101,189	74,400	881,997
Other Councillors	7,390,092	329,918	1,743,052	666,000	10,129,062
	8,814,439	518,879	2,146,942	1,176,923	12,657,183

The salaries, allowances and benefits of Councillors are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act and the MEC of local government in the province's determination in accordance with this Act.

25. Depreciation and amortisation

Property, plant and equipment	9,670,587	9,109,939
Intangible assets	130,468	128,379
	9,801,055	9,238,318

26. Debt impairment

Debt impairment	113,215	32,597
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27. Finance costs

Employee benefits	13,896,000	16,985,000
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Cape Winelands District Municipality

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Notes to the Financial Statements

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28. Transfer and subsidies		
Grants in aid		
Community and Social Services	180,000	299,025
Farmer households	389,996	1,138,499
Sport and recreation	-	564,146
Private Enterprises	500,000	960,566
	1,069,996	2,962,236
Monetary allocations		
Fire services	250,000	250,000
Farmer households	1,681,865	1,185,000
Community and social services	350,000	329,982
Social relief	361,525	399,995
Tourism	2,250,000	2,269,873
Sport and recreation	1,325,000	1,276,334
Support to Local Municipalities	9,700,000	3,500,000
	15,918,390	9,211,184
	16,988,386	12,173,420
29. Contracted services		
Outsourced Services		
Alien Vegetation Control	1,656,474	1,711,716
Burial Services	-	12,250
Business and Advisory	470,438	2,407,133
Cleaning Services	649,181	323,624
Clearing and Grass Cutting Services	478,261	2,266,276
Hygiene Services	880,323	1,508,980
Professional Staff	1,205,517	110,630
Security Services	2,442,656	1,822,990
Translators, Scribes and Editors	224,993	171,673
Consultants and Professional Services		
Business and advisory	3,293,965	4,081,977
Infrastructure and planning	213,386	1,184,575
Laboratory services	1,738,529	1,812,430
Legal cost	469,071	140,967
Contractors		
Artists and Performers	2,000	460,100
Audio-visual Services	1,850	14,709
Catering Services	1,398,266	293,012
Employee Wellness	194,071	150,135
Fire Services	11,956,626	8,340,441
Gardening Services	175,723	75,367
Graphic Designers	26,580	3,520
Maintenance of Buildings, Facilities, Equipment and Unspecified Assets	5,417,475	4,759,285
Medical Services	-	5,100
Pest Control and Fumigation	64,139	3,522
Photographer	14,950	7,929
Plants, Flowers and Other Decorations	22,603	930
Transportation	126,881	16,417
Stage and Sound Crew	101,138	21,789
	33,225,096	31,707,477

Cape Winelands District Municipality

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Notes to the Financial Statements

Figures in Rand	2022	2021
30. General expenses		
Achievements and awards	203,568	17,174
Advertising, publicity and marketing	2,618,880	3,496,831
Auditors remuneration	2,573,272	2,308,865
Bank charges, facility and card fees	240,270	264,812
Bargaining council	58,545	56,301
Bursaries (employees)	-	21,915
Chemicals	155,700	149,453
Cleaning materials	234,523	302,553
Communications	4,726,229	4,285,384
Consumables	733,442	1,159,680
Courier and delivery services	209	52,508
Deeds	1,119	1,932
Drivers licenses and permits	17,730	15,696
Entertainment	38,541	20,159
External computer services	5,827,885	6,811,240
Full time union representatives	25,772	74,193
Hire charges	6,796,528	6,938,012
Insurance underwriting	3,480,066	2,405,379
Licenses	118,876	87,664
Materials and supplies	15,611,083	22,918,322
Municipal services	6,325,262	6,372,590
Parking fees	250	-
Printing and stationery	1,140,386	1,299,161
Printing, publication and books	499,566	297,299
Refreshments	277,870	191,206
Professional bodies, membership and subscription	2,205,600	2,152,063
Registration fees	75,348	24,904
Road worthy test	17,955	11,190
Skill development fund levy	1,839,274	1,506,311
Tollgate fees	239,746	207,453
Transport provided as part of departmental activities	943,803	215,807
Travel and subsistence	1,237,440	546,897
Uniforms and protective clothing	2,821,466	977,985
Vehicle tracking	215,903	394,207
Wet fuel	11,548,633	8,049,544
	72,850,740	73,634,690
31. Auditors' remuneration		
Fees	2,573,272	2,308,865

Cape Winelands District Municipality

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32. Prior period errors

The prior year has been amended to account for prior period errors.

Below is a summary of the total effect that the prior period errors, changes in accounting policies and reclassifications had on the amount previously disclosed in the annual financial statements, followed by a description of each individual prior period error with the amount involved.

Statement of Financial Position

	Audited	Prior year error	Reclassifications	Restated
Assets				
Current Assets				
Cash and cash equivalents	766,153,639	-	-	766,153,639
Trade receivables from exchange transactions	60,986	-	-	60,986
Other receivables from exchange transactions	21,300,097	-	-	21,300,097
Receivables from non-exchange transactions	83,869	-	-	83,869
Inventories	2,761,197	-	-	2,761,197
VAT receivable	1,715,323	-	-	1,715,323
Employee benefit asset	910,196	1,569,804	-	2,480,000
	792,985,307	1,569,804	-	794,555,111
Non-Current Assets				
Property, plant and equipment	154,720,923	-	-	154,720,923
Intangible assets	579,258	79,668	-	658,926
Employee benefit asset	-	8,075,196	-	8,075,196
	155,300,181	8,154,864	-	163,455,045
Total Assets	948,285,488	9,724,668	-	958,010,156
Liabilities				
Current Liabilities				
Payables from exchange transactions	7,421,618	-	-	7,421,618
Unspent conditional grants and receipts	5,335,321	-	-	5,335,321
Provisions	6,440	-	-	6,440
Employee benefit obligation	35,622,748	-	-	35,622,748
	48,386,127	-	-	48,386,127
Non-Current Liabilities				
Employee benefit obligation	144,709,001	-	-	144,709,001
Total Liabilities	193,095,128	-	-	193,095,128
Net Assets	755,190,360	9,724,668	-	764,915,028
Net Assets				
Accumulated surplus	755,190,360	9,724,668	-	764,915,028

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

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Figures in Rand	2022	2021
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32. Prior period errors (continued)

32.1 Employee benefit asset

Balance previously reported		910,196
Change in short term portion		1,569,804
		<u>2,480,000</u>

During the 30 June 2021 actuarial valuation, the actuaries allocated certain members to the incorrect category between Roads and Non- Roads. This error resulted in the Roads portion being undervalued and the Non- Roads being overvalued in the previous valuation.

32.2 Intangible assets

Balance previously reported		579,258
Website cost		79,668
		<u>658,926</u>

The new website costs were incorrectly accounted for as operational expenditure in the 2020/2021 financial year. The website cost payments were for the development of a new website in the financial year and therefore meets the definition of an intangible asset. The error impacted the cost of Intangible assets, R79 668 and the surplus realised, R79 668 for 2020/2021 financial year.

32.3 Employee benefit asset

Balance previously reported		-
Change in long term portion		8,075,196
		<u>8,075,196</u>

During the 30 June 2021 actuarial valuation, the actuaries allocated certain members to the incorrect category between Roads and Non- Roads. This error resulted in the Roads portion being undervalued and the Non- Roads being overvalued in the previous valuation.

32.4 Accumulated surplus

Balance previously reported		755,190,360
* Intangible Asset - Cost		79,668
** Actuarial loss - Roads		9,645,711
** Current Service Cost - Roads		(416)
** Interest Cost - Roads		(295)
		<u>764,915,028</u>

*The new website costs were incorrectly accounted for as operational expenditure in the 2020/2021 financial year. The website cost payments were for the development of a new website in the financial year and therefore meets the definition of an intangible asset. The error impacted the cost of Intangible assets, R79 668 and the surplus realised, R79 668 for 2020/2021 financial year.

**During the 30 June 2021 actuarial valuation, the actuaries allocated certain members to the incorrect category between Roads and Non- Roads. This error resulted in the Roads portion being undervalued and the Non- Roads being overvalued in the previous valuation.

Cape Winelands District Municipality

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32. Prior period errors (continued)

Statement of Financial Performance

	Audited	Prior year error	Reclassifications	Restated
Revenue				
Revenue from exchange transactions				
Service charges	194,644	-	-	194,644
Rental of facilities and equipment	238,615	-	-	238,615
Roads services	105,032,933	-	-	105,032,933
Other income	1,216,118	-	-	1,216,118
Interest received - investment	38,231,810	-	-	38,231,810
Total revenue from exchange transactions	144,914,120	-	-	144,914,120
Revenue from non-exchange transactions				
Transfer revenue				
Government grants & subsidies	245,597,044	-	-	245,597,044
Public contributions and donations	17,240	-	-	17,240
Total revenue from non-exchange transactions	245,614,284	-	-	245,614,284
Total revenue	390,528,404	-	-	390,528,404
Expenditure				
Employee related costs	(223,701,150)	9,645,000	16,985,000	(197,071,150)
Remuneration of councillors	(12,657,183)	-	-	(12,657,183)
Finance cost	-	-	(16,985,000)	(16,985,000)
Depreciation and amortisation	(9,238,318)	-	-	(9,238,318)
Lease rentals on operating lease	(338,536)	-	-	(338,536)
Debt impairment	(32,597)	-	-	(32,597)
Contracted services	(31,787,145)	79,668	-	(31,707,477)
Transfers and subsidies	(12,173,420)	-	-	(12,173,420)
General Expenses	(73,634,690)	-	-	(73,634,690)
Total expenditure	(363,563,039)	9,724,668	-	(353,838,371)
Operating surplus	26,965,365	9,724,668	-	36,690,033
Loss on disposal of assets	(167,052)	-	-	(167,052)
Inventories losses/ write-downs	(91,017)	-	-	(91,017)
	(258,069)	-	-	(258,069)
Surplus for the year	26,707,296	9,724,668	-	36,431,964

32.5 Employee related costs

Balance previously reported	(223,701,150)
*Actuarial loss - Roads	9,645,711
*Current Service Cost - Roads	(416)
*Interest cost - Roads	(295)
**Contribution to employee benefits	16,985,000
	(197,071,150)

*During the 30 June 2021 actuarial valuation, the actuaries allocated certain members to the incorrect category between Roads and Non- Roads. This error resulted in the Roads portion being undervalued and the Non- Roads being overvalued in the previous valuation.

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32. Prior period errors (continued)

**Contribution to employee benefits were reclassified in terms of the nature of the expenditure and to ensure fair presentation of the financial statements.

32.6 Finance cost

Balance previously reported		-
Employee benefit obligation		(16,985,000)
		(16,985,000)

32.7 Contracted services

Balance previously reported		(31,787,145)
Graphic designers		79,668
		(31,707,477)

The new website costs were incorrectly accounted for as operational expenditure in the 2020/2021 financial year. The website cost payments were for the development of a new website in the financial year and therefore meets the definition of an intangible asset. The error impacted the cost of Intangible assets, R79 668 and the surplus realised, R79 668 for 2020/2021 financial year.

32.8 Additional disclosure

Capital commitments

Balance previously reported		-
Intangible assets	38,157	-
	38,157	-

Capital commitments relating to Intangible Assets of R38 157 for the development of the website was not disclosed as a commitment in the 2020/2021 financial year.

33. Cash generated from operations

Surplus	35,616,357	36,431,964
Adjustments for:		
Depreciation and amortisation	9,801,055	9,238,318
Loss on sale of assets and liabilities	132,468	167,052
Finance costs	13,896,000	16,985,000
Public contributions and donations	(929,080)	-
Debt impairment	113,215	32,597
Movements in retirement benefit assets and liabilities	9,192,183	6,292,623
Inventory write off	49,320	91,017
Changes in working capital:		
Other receivables from exchange transactions	(25,513,957)	4,288,666
Trade receivables from exchange transactions	(52,229)	(18,802)
Other receivables from non-exchange transactions	(38,572)	229,661
Movement in provisions	36,836	(50,823)
Payables from exchange transactions	501,408	(3,355,661)
VAT	(739,757)	(273,919)
Unspent conditional grants and receipts	440,905	(1,170,472)
Inventories	733,360	36,754
Employee benefit obligation	(16,516,550)	(10,462,054)
Long term receivable	2,620,547	(6,522,945)
	29,343,509	51,938,976

Cape Winelands District Municipality

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34. Financial instruments

Financial risk management

The accounting policy for financial instruments were applied to the following Statement of Financial Position items:

Financial assets at amortised cost

Trade receivables from exchange transactions	-	60,986
Other receivables from exchange transactions	44,512,961	18,997,269
Receivables from non-exchange transactions	122,441	83,869
Cash and Cash equivalents	790,328,779	766,153,639
	834,964,181	785,295,763

Financial liabilities at amortised cost

Payables from exchange transactions	4,912,888	7,421,619
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Refer to notes 3, 4, 5, 8 and 12 for additional disclosures.

Liquidity risk

The municipality has limited exposure to liquidity risk and is able to meet its financial obligations as it falls due. The municipality limits exposure to liquidity risk by ensuring all liabilities are cash backed.

The following are contractual maturities of financial assets and liabilities.

At 30 June 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	4,912,888	-	-	-
At 30 June 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	7,421,619	-	-	-

Credit risk

Credit risk consists mainly of cash and cash equivalents. The municipality invests cash with multiple banks, limiting exposure to any one counter-party.

The carrying amount of receivables and cash and cash equivalents represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Financial assets at amortised cost	2022	2021
Other receivables from exchange transactions	44,512,961	18,997,269
Trade receivables from exchange transactions	-	60,986
Cash and cash equivalents	790,328,779	766,153,639
Receivables from non- exchange transactions	122,441	83,869

Fair Values

Due to their short maturities the fair values of all financial instruments are substantially identical to the values reflected in the Statement of Financial Position.

There were no changes in the municipality's approach to financial risk management from the prior year.

Interest rate risk

The municipality's exposure to interest rate risk and effective interest rate on financial instruments at balance sheet date are as follows:

Cape Winelands District Municipality

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34. Financial instruments (continued)

The council has no outstanding loans as at 30 June 2022 (2021: R nil). The average interest rate on investments is 5.15% (2021: 5.14%). The municipality invest with multiple banks with varying interest rates linked to the prime rate.

Market risk

It is the risk that changes in market prices, such as foreign currency exchange rates and interest rates that will affect the municipality's projected income. The municipality does not hold any assets that are impacted by changes in the market.

Foreign currency risk is deemed to be minimal as very few foreign currency transactions are conducted.

There were no changes in the municipality's approach to financial risk management from the prior year.

35. Going concern

We draw attention to the fact that at 30 June 2022, the municipality had an accumulated surplus of R 800 809 089 (2021: R 764 915 028).

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

With the abolishment of the Regional Services Council Levies on 30 June 2006, the CWDM is dependent on Government Grants, including the Equitable Share, for approximately 63% of the municipality's revenue. In addition, funds received for Roads services account for a further 26%.

36. Unauthorised expenditure

No unauthorised expenditure were incurred and identified for the current and previous financial years.

37. Fruitless and wasteful expenditure

No fruitless and wasteful expenditure was identified and/or incurred during the current and prior financial year.

38. Irregular expenditure

Opening balance as previously reported	-	-
Correction of prior period error	-	1,486,022
Opening balance as restated	-	1,486,022
Add: Irregular Expenditure - current	-	-
Add: Irregular Expenditure - prior period	-	-
Less: Amounts recoverable - current	-	-
Less: Amounts recoverable - prior period	-	-
Less: Amount written off - prior period	-	(1,486,022)
Closing balance	-	-

Cases under investigation

In the current and prior year there are no cases under investigation related to non-compliance with laws, regulations, council policies and/or by-laws.

In the current and prior year there are no cases under investigation related to non-compliance with procurement process requirements.

Amounts written off

No amounts were written off in the current year.

Cape Winelands District Municipality

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38. Irregular expenditure (continued)		
In the prior year, an amount of R1 486 022 was written off. All consequence management processes have been concluded and the necessary actions and measures and have been applied.		
An expansion was made on a contract for an appointed consulting engineer without following the process in terms of the SCM Policy of the Municipality and Section 116(3) of the MFMA. Payments were made in terms of a contract with a consulting engineer where delays in completion resulted in additional fees and where the amounts charged, exceeded the allowable fee that is based on the sub-appointed contractor's costs.		
Local Government: Municipal Finance Management Act and Supply Chain Management Policy	-	1,486,022

39. Contingencies

39.1 Contingent liabilities

(i) 2022: The status of the delictual claim for damages in the amount of R451 000 against Cape Winelands District Municipality and the Minister of Transport and Public Works by a Mr P Afrika allegedly arising from an accident in July 2008. At pre-trial conference, it was decided that the matter is to be transferred from the High Court to the Magistrate's Court. This has the effect that the potential liability of the Municipality is reduced to approximately R100 000. The said process is currently pending. It is not yet practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence, the disclosure of the value is not possible.

(2021: The status remains the same as reported on the previous year of the delictual claim for damages in the amount of R451 000 against Cape Winelands District Municipality and the Minister of Transport and Public Works by a Mr P Afrika allegedly arising from an accident in July 2008. At pre-trial conference, it was decided that the matter is to be transferred from the High Court to the Magistrate's Court. This has the effect that the potential liability of the Municipality is reduced to approximately R100 000. The said process is currently pending. It is not yet practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence, the disclosure of the value is not possible.)

(ii) 2022: The status of the claim, where the plaintiff included the Cape Winelands District Municipality as the second of three defendants in this matter are currently awaiting a trial date. The insurance brokers of the municipality who are currently dealing with the matter: Mariska Cordy/Cape Winelands District Municipality/Stellenbosch Municipality states that that pre-trial proceeded and the matter was adjourned until 15 October 2018 to enable the parties to comply with the timetable set out in the agreed pre-trial minutes. The settlement per the summons issued amounts to R6 142 100. The settlement amount is to be paid by the insurance company on behalf of the Municipality and it would be expected of the Municipality to only pay the excess amount which has not been determined as yet. It is not yet practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence, the disclosure of the value is not possible.

(2021: The status of the claim, where the plaintiff included the Cape Winelands District Municipality as the second of three defendants in this matter, is the same as previously report that the parties are currently awaiting a trial date. The insurance brokers of the municipality who are currently dealing with the matter: Mariska Cordy/Cape Winelands District Municipality/Stellenbosch Municipality states that that pre-trial proceeded and the matter was adjourned until 15 October 2018 to enable the parties to comply with the timetable set out in the agreed pre-trial minutes. The settlement per the summons issued amounts to R6 142 100. The settlement amount is to be paid by the insurance company on behalf of the Municipality and it would be expected of the Municipality to only pay the excess amount which has not been determined as yet. It is not yet practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence, the disclosure of the value is not possible.)

Cape Winelands District Municipality

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39. Contingencies (continued)

(iii) 2022: The status of the claim where the District Municipality was jointly added as a third party, remains the same as reported on in the previous year. Specifically that on 22 January 2018 a Combined Summons was issued by the High Court of South Africa under Case No 728/18 in terms of which the trustees of the Fransie Conrade Trust (the plaintiffs) instituted action against the trustees of the Thera Trust (the defendants) for the damages suffered in the amount of R2 371 525,07 as a result of a fire that started on the property of Thera Trust and which allegedly spread to the property of the Fransie Conradie Trust. On 18 May 2018 a Third Party Notice was served on the District Municipality, in terms of which the Cape Winelands District Municipality was joint as a third party by the defendants (Thera Trust) who avers that the District Municipality is a joint wrongdoer with Thera Trust (the defendant) in that the District Municipality was negligent and that such negligence caused or contributed to the damages suffered by the plaintiff. The matter was reported to the District Municipality's insurers and a fire incident report was accordingly provided, where after a Notice of Intention to Defend was entered. The Cape Winelands District Municipality is currently awaiting the matter to be set down for Pre-trial hearing and thereafter trial. In view of the aforementioned, it is clear that it is not possible at this stage to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence, the disclosure of the value is not possible.

(2021: The status of the claim where the District Municipality was jointly added as a third party, remains the same as reported on in the previous year. Specifically that on 22 January 2018 a Combined Summons was issued by the High Court of South Africa under Case No 728/18 in terms of which the trustees of the Fransie Conrade Trust (the plaintiffs) instituted action against the trustees of the Thera Trust (the defendants) for the damages suffered in the amount of R2 371 525 as a result of a fire that started on the property of Thera Trust and which allegedly spread to the property of the Fransie Conradie Trust. On 18 May 2018 a Third Party Notice was served on the District Municipality, in terms of which the Cape Winelands District Municipality was joint as a third party by the defendants (Thera Trust) who avers that the District Municipality is a joint wrongdoer with Thera Trust (the defendant) in that the District Municipality was negligent and that such negligence caused or contributed to the damages suffered by the plaintiff. The matter was reported to the District Municipality's insurers and a fire incident report was accordingly provided, where after a Notice of Intention to Defend was entered. The Cape Winelands District Municipality is currently awaiting the matter to be set down for Pre-trial hearing and thereafter trial. In view of the aforementioned, it is clear that it is not possible at this stage to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence, the disclosure of the value is not possible.)

(iv) 2022: The status is the same as reported in the previous year. On 1 February 2021 a summons was issued by the High Court of South Africa, Western Cape Division, under Case Number 2023/21 in terms of which the plaintiffs instituted action against the Cape Winelands District Municipality, as the sixth defendant, for damages suffered to the amount of R26 767 475. The plaintiffs claims that a veld of forest fire that happened on or about 5 February 2018 and spread onto the plaintiffs properties from a certain property situated adjacent to the plaintiffs properties. The properties are located within the jurisdiction of the Cape Winelands District Municipality. The plaintiffs claims that the District Municipality owed a general duty of care to the public to prevent the spread of a veldfire and resultant damages by acting reasonably and practically in the circumstances and furthermore to comply with the standard operating procedures in respect of veldfires occurring on days marked with a "Red" 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) further and/or alternative relief. It is not yet practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence, the disclosure of the value is not possible.

(2021: On 1 February 2021 a summons was issued by the High Court of South Africa, Western Cape Division, under Case Number 2023/21 in terms of which the plaintiffs instituted action against the Cape Winelands District Municipality, as the sixth defendant, for damages suffered to the amount of R26 767 475. The plaintiffs claims that a veld of forest fire that happened on or about 5 February 2018 and spread onto the plaintiffs properties from a certain property situated adjacent to the plaintiffs properties. The properties are located within the jurisdiction of the Cape Winelands District Municipality. The plaintiffs claims that the District Municipality owed a general duty of care to the public to prevent the spread of a veldfire and resultant damages by acting reasonably and practically in the circumstances and furthermore to comply with the standard operating procedures in respect of veldfires occurring on days marked with a "Red" 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) further and/or alternative relief. It is not yet practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence, the disclosure of the value is not possible.)

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39. Contingencies (continued)

(v) 2022: The status on this claim is that the matter was settled with the plaintiff. A combined summons was issued on 8 December 2020 by the Magistrates Court for the District of Paarl under Case No 2015/2020 in terms of which Hydrotech Design (Pty) Ltd instituted action against a employee of the Cape Winelands District Municipality as the Third Defendant. On 13 May 2020 a collision occurred between the Plaintiff's vehicle and the Defendants vehicle's. On 28 January 2021 a letter of demand was issued by the Plaintiff's attorneys on the Municipality and it's employee for damages suffered to the amount R16 341.75 and legal fees in the sum of R1 500. It is not yet practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence, the disclosure of the value is not possible.

(2021: A combined summons was issued on 8 December 2020 by the Magistrates Court for the District of Paarl under Case No 2015/2020 in terms of which Hydrotech Design (Pty) Ltd instituted action against a employee of the Cape Winelands District Municipality as the Third Defendant. On 13 May 2020 a collision occurred between the Plaintiff's vehicle and the Defendants vehicle's. On 28 January 2021 a letter of demand was issued by the Plaintiff's attorneys on the Municipality and it's employee for damages suffered to the amount R16 342 and legal fees in the sum of R1 500. It is not yet practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence, the disclosure of the value is not possible.)

(vi) 2022: The status on this claim is that the matter was settled with the plaintiff. On 28 January 2021 a letter of demand was issued to the Cape Winelands District Municipality, the insurers of JH van Heerden for damages suffered to the amount of R214 380 in a motor vehicle accident on 8 January 2021. The matter was reported the District Municipality's insurers.

(2021: On 28 January 2021 a letter of demand was issued to the Cape Winelands District Municipality, the insurers of JH van Heerden for damages suffered to the amount of R214 380 in a motor vehicle accident on 8 January 2021. The matter was reported the District Municipality's insurers. It is not yet practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence, the disclosure of the value is not possible.)

vii) 2022: The Municipality is still waiting on the outcome of 4 public liability claims, 42 third party accident claims that were handed over to the state attorneys and / or the Municipality's insurance brokers. It is not practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence the disclosure of the value is not possible.

(2021: The Municipality is still waiting on the outcome of 6 public liability claims, 30 third party accident claims and 1 insurance claims that were handed over to the state attorneys and / or the Municipality's insurance brokers. It is not practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence the disclosure of the value is not possible.)

viii) 2022: On 22 June 2022, the Municipality received a notice from Marlo Laubscher Attorneys regarding an arrears municipal account of R33 732. The municipality currently is still awaiting the outcome of the enquiries it has made regarding the responsibility for the settlement of this arrears account as there are community members residing on the property whom should be responsible for the settlement of the municipal accounts.

ix) 2022: The municipality received a notice from Blignaut Neerahoo Attorneys regarding a contractual dispute for a claim of R402 285. The legal proceedings related to the matter has not yet commenced and there is no certainty that the municipality will be liable for the amount claimed.

39.2 Contingent assets

i) 2022: The Municipality has been informed by the insurance provider that no payment will be made as per the terms of the insurance policy and therefore the municipality no longer has any right to the claim. Based on this, the contingent asset will no longer be disclosed.

(2021: The Municipality is still awaiting the outcome of 1 insurance claims that were not concluded at 30 June 2021. The claims are not specific to the 2020/2021 financial year. It is not practicable to provide an estimate of the financial effect, measured by using the principles set out for provisions; hence the disclosure of the value is not possible.)

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

Figures in Rand	2022	2021
40. Related parties		
The following related parties exist:		
Municipal Manager (H.F. Prins)		
Chief Financial Officer (F.A. Du Raan-Groenewald)		
Executive Director: Community Development and Planning Services (P. Williams)		
Executive Director: Technical Services (F.A. van Eck)		
Ald. (Dr) H von Schlicht	(Mayor: Term ended - 08/11/2021; Appointed Councillor - 09/11/2021 - 01/12/2021; Appointed Mayor - 02/12/2021)	
Ald. C Meyer	(Speaker: Term ended - 08/11/2021; Appointed - 09/11/2021)	
Cllr. D.D.Joubert	(Appointed - 09/11/2021; Appointed Speaker - 02/12/2021)	
Cllr. G.J Carinus		
Cllr. C.F Wilskut	(Term ended - 08/11/2021; Appointed - 26/11/2021)	
Cllr. M.N Bushwana	(Term ended - 08/11/2021; Appointed - 26/11/2021)	
Cllr. R.S Nalumango	(Term ended - 08/11/2021; Appointed - 26/11/2021)	
Cllr. W.M Blom	(Term ended - 08/11/2021; Appointed - 26/11/2021)	
Cllr. K Adams	(Appointed - 26/11/2021; Resigned - 09/06/2022)	
Cllr. D Swart	(Deputy Mayor: Term ended - 08/11/2021; Appointed - 26/11/2021)	
Cllr. P Daniëls	(Term ended - 08/11/2021; Appointed - 29/06/2022)	
Ald. M Sampson	(Appointed - 26/11/2021; Appointed Deputy Mayor - 02/12/2021)	
Cllr. A.J du Plessis	(Appointed - 26/11/2021)	
Cllr. A.J Pedro	(Appointed - 09/11/2021)	
Cllr. A.M Richards	(Appointed - 26/11/2021)	
Cllr. C Manuel	(Appointed - 26/11/2021)	
Cllr. C.O Klaaste	(Appointed - 26/11/2021)	
Cllr. D.B Janse	(Appointed - 26/11/2021)	
Cllr. D.W Nel	(Appointed - 09/11/2021)	
Cllr. E Groenewald	(Appointed - 26/11/2021)	
Cllr. E.G Arendse	(Appointed - 26/11/2021)	
Cllr. F Jacobs	(Appointed - 26/11/2021)	
Cllr. G.J Fredericks	(Appointed - 09/11/2021)	
Cllr. J Maliti	(Appointed - 09/11/2021)	
Cllr. J Smith	(Appointed - 26/11/2021)	

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

Figures in Rand	2022	2021
40. Related parties (continued)		
Cllr. J.H.P Steyn	(Appointed - 09/11/2021)	
Cllr. J.S Januarie	(Appointed - 26/11/2021)	
Cllr. L Ngwane	(Appointed - 09/11/2021)	
Cllr. M Liebenberg	(Appointed - 09/11/2021)	
Cllr. M Smit	(Appointed - 09/11/2021)	
Cllr. M van Staden	(Appointed - 26/11/2021)	
Cllr. M.H Yabo	(Appointed - 09/11/2021)	
Cllr. M.N Kriel	(Appointed - 09/11/2021)	
Cllr. N Phatsoane	(Appointed - 26/11/2021)	
Cllr. N.D Sauerma	(Appointed - 26/11/2021)	
Cllr. R Farao	(Appointed - 26/11/2021)	
Cllr. R Smuts	(Appointed - 26/11/2021)	
Cllr. S Goedeman	(Appointed - 09/11/2021)	
Cllr. T.R Mpulanyana	(Appointed - 09/11/2021)	
Cllr. V Hani	(Appointed - 09/11/2021)	
Cllr. W.C Petersen	(Appointed - 26/11/2021)	
Cllr. X.L Mdemka	(Appointed - 26/11/2021)	
Cllr. A Florence	(Term ended - 08/11/2021)	
Ald. J.W Schuurman	(Term ended - 08/11/2021)	
Cllr. A Crombie	(Term ended - 08/11/2021)	
Cllr. A.J Shibili	(Term ended - 08/11/2021)	
Cllr. B.B Ntshingila	(Term ended - 08/11/2021)	
Cllr. C Damens	(Term ended - 08/11/2021)	
Cllr. C Steyn	(Term ended - 08/11/2021)	
Cllr. D.R.A Snyders	(Term ended - 08/11/2021)	
Cllr. E Qhankqiso	(Term ended - 08/11/2021)	
Cllr. J Smit	(Term ended - 08/11/2021)	
Cllr. J.J van Rooyen	(Term ended - 08/11/2021)	
Cllr. J.S Mouton	(Term ended - 08/11/2021)	
Cllr. L.N Qoba	(Term ended - 08/11/2021)	

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

Figures in Rand	2022	2021
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40. Related parties (continued)

Cllr. L.S Sambokwe	(Term ended - 08/11/2021)
Cllr. M.T Klaas	(Term ended - 08/11/2021)
Cllr. N Tetana	(Term ended - 08/11/2021)
Cllr. R Du Toit	(Term ended - 08/11/2021)
Cllr. S.C Rens	(Term ended - 08/11/2021)
Cllr. S.S Magqazana	(Term ended - 08/11/2021)
Cllr. T.M Wehr	(Term ended - 08/11/2021)
Cllr. W Vrolick	(Term ended - 08/11/2021)
Cllr. X Kalipa	(Term ended - 08/11/2021)
Cllr. Z.L Masoka	(Term ended - 08/11/2021)
Cllr. J.D.F van Zyl	(Term ended - 08/11/2021)
Cllr. J.J Du Plessis	(Term ended - 08/11/2021)
Cllr. L Landu	(Term ended - 08/11/2021)
Cllr. L.W Niehaus	(Term ended - 08/11/2021)
Cllr. P.C Ramokhabi	(Term ended - 08/11/2021)

The salaries and remuneration of key management and councillors are disclosed in notes 23 & 24 of the Annual Financial Statements.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

Figures in Rand 2022 2021

41. Change in estimate

Property, plant and equipment

41.1 Redundant store assets

The prior year accounting estimates relating to the estimated useful lives and residual values of Furniture and fittings, Office equipment, Plant and equipment, Motor vehicles, Emergency equipment and Trailers were evaluated during the 2021/2022 financial year and the change in the estimates were implemented on 01 July 2021. This led to a change in depreciation for the 2021/2022 from the 2020/2021 financial year. The amount of the depreciation, had the change in accounting estimate not been effected, the effect of the change in accounting estimate of depreciation for 2021/2022 financial year as well as the amended depreciation are as follows:

Asset Type Description	Total of depreciation on assets for 2021/22 had no change been effected:	Total new depreciation for 2021/22 after the change was affected:	2021/2022: Difference: Increase in depreciation	Total of depreciation on assets for future years had no change been effected:	Total new depreciation for future years after the change was affected:	Future years: Difference: Decrease in depreciation
Furniture and fittings	3,297	21,906	18,609	18,609	-	(18,609)
Office Equipment	21,559	153,243	131,684	131,684	-	(131,684)
Plant and equipment	11,044	72,776	61,731	61,731	-	(61,731)
Motor vehicles	61,439	651,774	590,335	590,335	-	(590,335)
Emergency equipment	2,431	16,920	14,488	14,488	-	(14,488)
	99,770	916,619	816,847	816,847	-	(816,847)

The effect of the change in estimate led to an decrease in depreciation of Furniture and fittings of R18 609, decrease in depreciation of Office equipment of R131 684, decrease in depreciation of Plant and equipment of R61 731, decrease in depreciation of Motor Vehicles of R590 335 and a decrease in depreciation of Emergency equipment of R14 488 for the future years.

41.2 Review of RUL of Property, Plant and Equipment

Asset Type Description	Total of depreciation on assets for 2021/22 had no change been effected:	Total new depreciation for 2021/22 after the change was affected:	2021/2022: Difference: Increase in depreciation	Total of depreciation on assets for future years had no change been effected:	Total new depreciation for future years after the change was affected:	Future years: Difference: Decrease in depreciation
Trailers	31,320	10,075	(21,246)	-	21,246	21,246

The effect of the change in estimate led to an increase in depreciation of R21 246 for the future years.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

Figures in Rand	2022	2021
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42. B-BBEE Performance

2021/2022

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

The Municipality included the relevant disclosure on B-BBEE performance in a note to the 2020/2021 financial statements. However, the Municipality omitted to report its compliance results with B-BBEE in the 2020/2021 Annual Report. The Municipality is a Level Seven Contributor.

2020/2021

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

43. Events after the reporting date

The additional amount included in note 15 to provisions relating to the adjusting event amounted to R43 267.

44. Reconciliation between budget and annual financial statements

44.1 Statement of Financial Performance

Service charges (Actual amount as per Statement of Comparison)	-	-
Service charges	182,762	-
Actual amount as per Statement of Financial Performance	182,762	-

Service charges was remapped from Other revenue to adhere to the requirements of GRAP.

Agency Services (Actual amount as per Statement of Comparison)	106,979,783	-
Roads Capital	54,315	-
Management Fees	9,321,397	-
Management Fees	(10,719,606)	-
Actual amount as per Statement of Financial Performance	105,635,889	-

The capital financing for Roads services was remapped from Transfers and subsidies to Roads services. Management fees was remapped to Roads services to adhere to the requirements of GRAP.

To align to the accounting treatment for the funding received from Department of Transport and Public Works with regards to the roads maintenance, the prior year naming convention for this funding source was changed from agency services to roads services. Both the prior year and current year naming convention is therefore consistent. This allows the users of the financial statements to have a clear understanding of the substance to this funding source.

Licences and permits (Actual amount as per Statement of Comparison)	739,566	-
Licences and permits	(739,566)	-
Actual amount as per Statement of Financial Performance	-	-

Licences and permits were remapped to Other income to adhere to the requirements of GRAP.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

Figures in Rand	2022	2021
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44. Reconciliation between budget and annual financial statements (continued)

Transfers and subsidies (Actual amount as per Statement of Comparison)	253,668,692	-
Public Sector SETA	(384,462)	-
Roads Capital	(9,587)	-
Actual amount as per Statement of Financial Performance	253,274,643	-

LG SETA refunds and Public contributions and donations were remapped from Transfers and subsidies to Other income to adhere to the requirements of GRAP.

Public contributions and donations (Actual amount as per Statement of Comparison)	-	-
Public contributions and donations	938,667	-
Actual amount as per Statement of Financial Performance	938,667	-

Public contributions and donations was remapped from Transfers and subsidies to adhere to the requirements of GRAP.

Other revenue (Actual amount as per Statement of Comparison)	9,691,258	-
Management fees	(9,321,397)	-
Service charges	(182,762)	-
Public Sector SETA	384,462	-
Licenses and permits	739,566	-
Actual amount as per Statement of Financial Performance	1,311,127	-

Other revenue was remapped to adhere to the requirements of GRAP.

Employee related costs (Actual amount as per Statement of Comparison)	218,978,840	-
Workmen's compensation fund	1,069,362	-
Interest cost	(13,896,000)	-
Actual amount as per Statement of Financial Performance	206,152,202	-

Workmen's compensation fund was remapped from Other expenditure to Employee related cost to adhere to requirements of GRAP. Interest cost on post-retirement benefits and long service awards were remapped to Finance costs to adhere to the requirements of GRAP.

Finance cost (Actual amount as per Statement of Comparison)	-	-
Interest cost	13,896,000	-
Actual amount as per Statement of Financial Performance	13,896,000	-

Interest cost on post-retirement benefits and long service awards were remapped from Employee related costs to Finance costs to adhere to the requirements of GRAP.

Lease rentals on operating lease (Actual amount as per Statement of Comparison)	-	-
Lease rentals on operating lease	298,157	-
Actual amount as per Statement of Financial Performance	298,157	-

Lease rentals on operating lease was remapped from Other expenditure to adhere to the requirements of GRAP.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

Figures in Rand	2022	2021
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44. Reconciliation between budget and annual financial statements (continued)

Inventory consumed (Actual amount as per Statement of Comparison)	21,452,352	-
General expenses	(21,452,352)	-
Actual amount as per Statement of Financial Performance	-	-

Inventory consumed were remapped to General expenses to adhere to the requirements of GRAP.

Other expenditure (Actual amount as per Statement of Comparison)	63,534,832	-
Workmen's compensation fund	(1,069,362)	-
Lease rental on operating leases	(298,157)	-
Inventory consumed	21,452,352	-
Inventory losses	(49,320)	-
Management fees	(10,719,607)	-
Actual amount as per Statement of Financial Performance	72,850,738	-

Workmen's compensation fund was remapped from Other expenditure to Employee related cost to adhere to the requirements of GRAP. Lease rentals on operating lease was remapped from other expenditure to adhere to the requirements of GRAP. Inventory consumed was remapped to General expenditure to adhere to the requirements of GRAP. Management fees was remapped from other expenditure to Roads services.

Inventories losses (Actual amount as per Statement of Comparison)	-	-
Inventories losses	49,320	-
Actual amount as per Statement of Financial Performance	49,320	-

Inventories losses was remapped from other expenditure to adhere to the requirements of GRAP.

Transfer and subsidies: Capital monetary (Actual amount as per Statement of Comparison)	54,315	-
Roads Capital	(54,315)	-
Actual amount as per Statement of Financial Performance	-	-

The capital financing for Roads was remapped from Transfers and subsidies to Roads services.

Transfer and subsidies: Capital in-kind (Actual amount as per Statement of Comparison)	929,080	-
Public contributions and donations	(929,080)	-
Actual amount as per Statement of Financial Performance	-	-

Capital donations received were remapped from Transfers and subsidies to Public contributions and donations.

44.2 Statement of financial position

Cash and cash equivalents (Actual amount as per Statement of Comparison)	-	-
Cash on hand	6,828,779	-
Call investment deposits	783,500,000	-
Actual amount as per Statement of Financial Position	790,328,779	-

Cash on hand and Call Investment deposits were remapped to adhere to the requirements of GRAP.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

Figures in Rand	2022	2021
44. Reconciliation between budget and annual financial statements (continued)		
Consumer debtors (Actual amount as per Statement of Comparison)	26,918,529	-
Service charges	(44,573)	-
Prepayments and advances	2,278,610	-
Insurance claims	40,070	-
Unauthorised, Irregular, Fruitless and Wasteful Expenditure	69,750	-
Output VAT: Provision for Doubtful Debt Impairment	(649)	-
Deposits	4,740	-
Accrued interest	17,321,583	-
Third Party Refund	225,995	-
Actual amount as per Statement of Financial Position	46,814,055	-
Consumer debtors were remapped to adhere to the requirements of GRAP.		
VAT receivable (Actual amount as per Statement of Comparison)	-	-
VAT receivable	2,455,080	-
Actual amount as per Statement of Financial Position	2,455,080	-
VAT receivable were remapped from Other debtors and Trade and other payables to adhere to the requirements of GRAP.		
Receivables from non-exchange transactions (Actual amount as per Statement of Comparison)	-	-
Accrued income	122,441	-
Actual amount as per Statement of Financial Position	122,441	-
Accrued income was remapped from Other debtors to adhere to the requirements of GRAP.		
Consumer deposits (Actual amount as per Statement of Comparison)	20,000	-
Consumer deposits	(20,000)	-
Actual amount as per Statement of Financial Position	-	-
Consumer deposits was remapped to Payables from exchange transactions to adhere to the requirements of GRAP.		
Trade and other payables (Actual amount as per Statement of Comparison)	13,133,060	-
Unspent conditional grants	(5,776,226)	-
Output VAT	112,889	-
Employee benefits	(2,576,835)	-
Consumer deposits	20,000	-
Actual amount as per Statement of Financial Position	4,912,888	-
Trade and other payables were remapped to adhere to the requirements of GRAP.		
Employee benefit obligation (Actual amount as per Statement of Comparison)	-	-
Employee benefits	37,067,065	-
Actual amount as per Statement of Financial Position	37,067,065	-
Employee benefits were remapped from Provisions and Trade and other payables to adhere to the requirements of GRAP.		
Provisions (Actual amount as per Statement of Comparison)	34,533,508	-
Employee benefits	(34,490,231)	-
Actual amount as per Statement of Financial Position	43,277	-
Provisions were remapped to Employee benefit obligation to adhere to the requirements of GRAP.		

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

Figures in Rand	2022	2021
44. Reconciliation between budget and annual financial statements (continued)		
Accumulated surplus (Actual amount as per Statement of Comparison)	721,502,060	-
Reserves	79,307,027	-
Amount as per Statement of Financial Position	800,809,087	-

Reserves were remapped to Accumulated surplus to adhere to the requirements of GRAP.

44.3 Cashflow statement

Employee cost (Actual amount as per Statement of Comparison)	-	-
Employee cost	196,972,541	-
Amount as per Cash flow statement	196,972,541	-

Employee cost was remapped from Suppliers and employees to adhere to the requirements of GRAP.

Remuneration to councillors (Actual amount as per Statement of Comparison)	-	-
Remuneration to councillors	12,744,505	-
Amount as per Cash flow statement	12,744,505	-

Remuneration of councillors was remapped from Suppliers and employees to adhere to the requirements of GRAP.

Transfers and grants (Actual amount as per Statement of Comparison)	(16,988,386)	-
Transfers and grants	16,988,386	-
Amount as per Cash flow statement	-	-

Transfers and grants was remapped to Suppliers to adhere to the requirements of GRAP.

Finance costs (Actual amount as per Statement of Comparison)	-	-
Finance cost	13,896,000	-
Amount as per final approved budget	13,896,000	-

Finance costs were remapped from Suppliers and employees to adhere to the requirements of GRAP.

45. Actual operating expenditure versus budgeted operating expenditure

According to the Accounting Policy, explanations should be provided in cases where the difference between the Adjustments Budget and the Actual Expenditure exceeds 10%.

45.1 Statement of Financial Position

Current Assets

Cash

There is only a one percent variance if taking into account the Call investments deposits.

Consumer debtors

Not all claims submitted to The Western Cape Provincial Government via its Department of Transport and Public Works were paid in full; hence the increase in the Roads services debtor. Furthermore, the delay in submission of the June claim to allow for accruals and payables also increased the debtor.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

Figures in Rand	2022	2021
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45. Actual operating expenditure versus budgeted operating expenditure (continued)

Other debtors

Variance as a result of higher interest rates than anticipated during the budget process.

Inventory

Variance is less than 10%, no reason required.

Current portion of long- term receivable

The calculation that is made for the Future Medical Aid Liability, Ex Gratia Pension and Long Service Bonus is calculated by actuaries and the budget estimation is brought in line therewith. However, the revised estimation is only done at year end.

Non-Current Assets

Property, plant and equipment

Variance is less than 10%, no reason required.

Intangible assets

The acquisition of a performance management (PMS) system was added during the Adjustments Budget as a result of the promulgation of new Staff Regulations in November 2021. However, due to the invalidity of the PPPFA regulations and concomitant uncertainty thereof, the acquisition of the PMS System was deferred to the next financial year.

Other non- current assets

The calculation that is made for the Future Medical Aid Liability, Ex Gratia Pension and Long Service Bonus is calculated by actuaries and the budget estimation is brought in line therewith. However, the revised estimation is only done at year end.

Liabilities

Current Liabilities

Consumer Deposits

The consumer deposits were only repaid during the month of August 2022 and not during June 2022 as anticipated during the budget process.

Trade and other payables

The outcome of the roll-over request for grant funding only materialised in the latter part of the financial year and therefore it was impossible to complete all the work by 30 June 2022. The awarding of tenders were delayed as a result of The Supreme Court of Appeal declaring the entire Preferential Procurement Regulations invalid on the basis that the content of the Regulations exceeded the Minister's power on what could permissibly be regulated on in terms of section 5 of the Procurement Act and section 217 of the Constitution.

Provisions

The calculation that is made for the Future Medical Aid Liability, Ex Gratia Pension and Long Service Bonus is calculated by actuaries and the budget estimation is brought in line therewith. However, the revised estimation is only done at year end.

Non-Current Liabilities

Provisions

The calculation that is made for the Future Medical Aid Liability, Ex Gratia Pension and Long Service Bonus is calculated by actuaries and the budget estimation is brought in line therewith. However, the revised estimation is only done at year end.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

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45. Actual operating expenditure versus budgeted operating expenditure (continued)

Net Assets

Reserves

The transfer to the capital replacement reserves is only done at year end and therefore cannot accurately budget for this.

45.2 Statement of Financial Performance

Rental of facilities and equipment

Variance is less than 10%, no reason required.

Agency Services

Variance is less than 10%, no reason required.

Licences and permits

The issuing of export certificates increased as a result of the relaxation of certain lock down regulations.

Other Revenue

Other revenue consist of different income sources which is variable for change due to external factors.

Interest received - investment

Variance is less than 10%, no reason required.

Transfer and subsidies

Variance is less than 10%, no reason required.

Expenditure

Employee related costs

Variance is less than 10%, no reason required.

Remuneration of councillors

Variance is less than 10%, no reason required.

Depreciation and amortisation

Variance is less than 10%, no reason required.

Debt impairment

Variance is less than 10%, no reason required.

Contracted services

The awarding of tenders was kept in abeyance and budget appropriations were deferred to the next financial year due to the invalidity of the PPPFA regulations and concomitant uncertainty thereof.

Transfers and subsidies

Variance is less than 10%, no reason required.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

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45. Actual operating expenditure versus budgeted operating expenditure (continued)

Other expenditure

Variance does not exceed 10%, no reason required.

Losses

Variance is less than 10%, no reason required.

Transfers and subsidies - capital

A large portion of the unspent amount relates to a roll over grant that was only approved in the latter part of the year. The grant is committed to partially fund a fire fighting vehicle. The awarding of the tender was delayed as a result of The Supreme Court of Appeal declaring the entire Preferential Procurement Regulations invalid on the basis that the content of the Regulations exceeded the Minister's power on what could permissibly be regulated on in terms of section 5 of the Procurement Act and section 217 of the Constitution.

Transfer and Subsidies - capital (in-kind)

The municipality received donated assets during the financial year.

45.3 Cash Flow Statement

Other Revenue

Refer to reason provided above for the Statement of financial performance.

Government - operating

Variance is less than 10%, no reason required.

Government - capital

The acquisition of the guard hut for the Roads services was deferred to the next financial year.

Interest

The accrued interest was incorrectly mapped as a cash flow item during the budget preparation process.

Suppliers and employees

Refer to reason provided above for the Statement of financial performance.

Transfer and grants

During the budget process the allocation-in-kind transfers were incorrectly mapped as a non-cash item.

Proceeds on disposal of PPE

Variance is less than 10%, no reason required.

Capital assets

The awarding of tenders was kept in abeyance and budget appropriations were deferred to the next financial year due to the invalidity of the PPPFA regulations and concomitant uncertainty thereof.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

Figures in Rand	2022	2021
45. Actual operating expenditure versus budgeted operating expenditure (continued)		
Consumer deposits		
The consumer deposits were only repaid during the month of August 2022 and not during June 2022 as anticipated during the budget process.		
46. Additional disclosure in terms of Municipal Finance Management Act		
Contributions to organised local government		
Current year subscription / fee	2,321,684	2,265,329
Amount paid - current year	(2,205,600)	(2,152,063)
Amount paid - previous years	(116,084)	(113,266)
	-	-
Audit fees		
Current year subscription / fee	2,573,272	2,308,865
Amount paid - current year	102,576	84,891
Amount paid - previous years	(2,670,178)	(2,404,120)
	5,670	(10,364)
PAYE, UIF and SDL		
Current year subscription / fee	(39,178,059)	(38,229,918)
Amount paid - current year	39,178,059	38,229,918
	-	-
Pension and Medical Aid Deductions		
Current year subscription / fee	(67,631,029)	(66,077,451)
Amount paid - current year	67,631,029	66,077,451
	-	-
VAT		
VAT receivable	2,743,707	1,999,082
VAT payable	(288,627)	(283,759)
	2,455,080	1,715,323

All VAT returns have been submitted by the due date throughout the year.

Councillors' arrear accounts

During the financial year under review no Councillor was in arrears with the settlement of rates or services.

However, Councillor arrear accounts are in respect of Cllr Gwada, Ross, Nyamana and Heradien for the overpayment of remuneration due to the upward change in the grading of Witzenberg, Drakenstein and Langeberg Municipality; and the termination/resignation of councillors Mcako and Louw of Stellenbosch Municipality.

The arrear accounts of Cllr Magqazana and Qoba relates to overpayments due to calculation errors with the final payments at the termination/resignation of their positions held as councillors of the CWDM.

Cape Winelands District Municipality

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Figures in Rand	2022	2021	
46. Additional disclosure in terms of Municipal Finance Management Act (continued)			
30 June 2022	Outstanding less than 90 days	Outstanding more than 90 days	Total
Cllr. Z.L. Gwada	-	2,463	2,463
Cllr. S. Ross	-	4,387	4,387
Cllr. S.W. Nyamana	-	769	769
Cllr. P. Heradien (resigned 10/12/2014)	-	10,315	10,315
Cllr. C. Mcako (resigned 29/06/2016)	-	1,138	1,138
Cllr. N.S. Louw (resigned 25/07/2018)	-	689	689
Cllr. S.S. Magqazana	-	1,868	1,868
Cllr. L.N. Qoba	-	856	856
	-	22,485	22,485

The Municipality in terms of Section 167(2) of the MFMA, must and has the right to, recover remuneration paid otherwise than in accordance with the framework of the Public Office-Bearers Act, 1998 from political office-bearers and may not write off any expenditure incurred by the municipality in paying or giving such remuneration.

(i) In respect of upward grading of the local municipalities within the district:

In view of the above-mentioned determination, the Municipality recovered all overpayments as a result of the upward grading or changes in positions held on council committees of its local municipalities, except for the above mentioned councillors, where payment arrangements have been made or legal action instituted.

Legal action against Cllrs Heradien, Ross, Gwada (deceased) and Nyamana is currently in progress. Attempts by the Municipality's debt collectors to institute a claim against the deceased estate of Cllr Gwada is ongoing, though to date this has been unsuccessful.

(ii) In respect of resignations / terminations:

Cllr Louw has adhered to the payment arrangements made and the relevant arrears was fully recovered after 30 June 2022. Attempts by the Municipality's debt collectors to institute a claim against the deceased estate of Cllr Mcako is still ongoing, though to date this has been unsuccessful. Cllrs Magqazana and Qoba will be handed over for legal action to be instituted pending the appointment of a new debt collector.

30 June 2021	Outstanding less than 90 days	Outstanding more than 90 days	Total
Cllr. Z.L. Gwada	-	2,463	2,463
Cllr. S. Ross	-	4,387	4,387
Cllr. S.W. Nyamana	-	769	769
Cllr. P. Heradien (resigned 10/12/2014)	-	10,315	10,315
Cllr. C. Mcako (resigned 29/06/2016)	-	1,138	1,138
Cllr. N.S. Louw (resigned 25/07/2018)	-	3,306	3,306
	-	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.

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

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Figures in Rand 2022 2021

46. Additional disclosure in terms of Municipal Finance Management Act (continued)

(i) In respect of upward grading or changes in positions held on council committees (section 79 committees) of the local municipalities within the district:

In view of the said determination, the municipality recovered all overpayments as a result of the upward grading or changes in positions held on council committees of its local municipalities, except for the above mentioned councillors, where payment arrangements have been made or legal action instituted. The balance outstanding owed by Cllr Hess as at 30 June 2020 was recovered during the 2020/2021 financial year.

Cllrs Heradien, Ross, Gwada (deceased) and Nyamana have been handed over for legal action to be instituted and this is currently in process. The Municipality's debt collector intends to institute a claim against the estate of the late Cllr Gwada.

(ii) In respect of resignations / terminations:

The Municipality's debt collector intends to institute a claim against the estate of the late Cllr Mcako. Cllr Louw has been handed over for legal action and a payment arrangement was concluded.

Particulars of non-compliance

No incidences of non-compliance occurred during the current and prior financial year.

Disclosures by municipality on intergovernmental and other allocations

Allocations made to municipalities

Section 123 of the MFMA determines that the municipality must disclose information on any allocations made by the municipality to another municipality. The following allocations were made to local municipalities within CWDM for projects as identified by the respective local municipality in terms of service level agreements:

Breede Valley Municipality	962,000	1,020,000
Drakenstein Municipality	6,226,000	660,000
Langeberg Municipality	864,000	740,000
Stellenbosch Municipality	984,000	540,000
Witzenberg Municipality	764,000	740,000
	<u>9,800,000</u>	<u>3,700,000</u>

47. Segment information

General information

Identification of segments

The municipality is organised and reports to management on the basis of ten major functional areas. These segments makes up two of the three strategic objectives of the municipality.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

Reportable segment	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

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

Figures in Rand	2022	2021		
47. Segment information (continued)				
Technical services			Promoting sustainable infrastructure services and a transport system that fosters social and economic opportunities	
Segment surplus or deficit				
2022				
	Community development and planning services	Technical services	Non-reportable	Total
Revenue				
Revenue from exchange transactions				
Service Charges	182,762	-	-	182,762
Rental of facilities and equipment	-	-	229,049	229,049
Roads services	-	96,314,491	9,321,397	105,635,888
Other income	739,566	46,707	524,854	1,311,127
Interest revenue- Investment	-	-	40,295,365	40,295,365
Revenue from non- exchange transactions				
Transfer revenue				
Government grant & subsidies	2,304,762	2,861,268	248,108,613	253,274,643
Public contributions and donations	89,080	9,587	840,000	938,667
Total segment revenue	3,316,170	99,232,053	299,319,278	401,867,501
Total revenue				401,867,501
Expenditure				
Employee related costs	91,325,121	64,088,393	50,738,688	206,152,202
Remuneration to councillors	-	-	12,744,505	12,744,505
Depreciation and amortisation	4,650,557	2,117,362	3,033,136	9,801,055
Lease rentals on operating lease	-	-	298,157	298,157
Debt impairment	-	-	113,215	113,215
Finance cost	-	-	13,896,000	13,896,000
Contracted services	20,132,438	5,108,724	7,983,934	33,225,096
Transfers and Subsidies	8,199,521	1,288,865	7,500,000	16,988,386
Loss on disposal of assets	52,068	59,114	21,286	132,468
Inventories losses/ write- downs	-	-	49,320	49,320
General Expenses	9,891,441	37,882,592	25,076,707	72,850,740
Total segment expenditure	134,251,146	110,545,050	121,454,948	366,251,144
Surplus/(deficit)				35,616,357

Cape Winelands District Municipality

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Figures in Rand

47. Segment information (continued)

2021

	Community development and planning services	Technical services	Non- reportable	Total
Revenue				
Revenue from exchange transactions				
Service charges	194,644	-	-	194,644
Rental of facilities and equipment	-	-	238,615	238,615
Roads services	-	95,516,597	9,516,336	105,032,933
Other income	669,682	10,985	535,451	1,216,118
Interest received- investment	-	-	38,231,810	38,231,810
Revenue from non- exchange transactions				
Transfer revenue				
Government grants & subsidies	2,143,310	3,440,279	240,013,455	245,597,044
Public contribution and donations	-	17,240	-	17,240
Total segment revenue	3,007,636	98,985,101	288,535,667	390,528,404
Total revenue				390,528,404
Expenditure				
Employee related cost	88,819,292	57,082,689	51,169,169	197,071,150
Remuneration of councillors	-	-	12,657,183	12,657,183
Depreciation and amortisation	4,225,256	519,055	4,494,007	9,238,318
Lease rentals on operating lease	-	-	338,536	338,536
Debt impairment	-	-	32,597	32,597
Finance cost	-	-	16,985,000	16,985,000
Contracted services	15,872,562	7,303,193	8,531,722	31,707,477
Transfers and subsidies	9,430,774	1,242,646	1,500,000	12,173,420
Loss on disposal of assets	16,202	16,069	134,781	167,052
Inventories losses/ write downs	-	-	91,017	91,017
General expenses	7,100,773	37,285,835	29,248,082	73,634,690
Total segment expenditure	125,464,859	103,449,487	125,182,094	354,096,440
Surplus				36,431,964

Measurement of segment surplus or deficit

Basis of accounting for transactions between reportable segments

The accounting policies of the segments are the same as those described in the summary of significant accounting policies.

Information about geographical areas

Although the municipality operates in a number of geographical areas, it is irrelevant for users of the financial statements as the municipality's geographical areas of operation can be seen as a single geographical area when deciding how to allocate resources.

48. Capital commitments

Intangible assets			-	38,157
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Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

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49. Disclosures in terms of the Municipal Supply Chain Management Regulations, 2005

49.1 Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36(1)(a) and (b).

	Total Value (incl. VAT)	Emergency	Sole Supplier/ Agent	Impractical
2022				
July	454,485	-	-	5
August	2,324,853	-	2	19
September	270,577	1	1	3
October	260,232	1	3	4
November	431,266	-	1	10
December	365,119	-	-	11
January	301,744	-	-	6
February	2,227,940	-	4	11
March	136,317	-	1	5
April	60,227	-	-	6
May	112,908	-	-	8
June	316,427	-	-	12
	7,262,095	2	12	100
2021				
	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

Cape Winelands District Municipality

Financial Statements for the year ended 30 June 2022

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49.2 Regulation 45 - Particulars of awards of more than R2 000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months. (Amounts disclosed include VAT)

Supplier	Relationshi	Name of Family	Name of Institution	Capacity	2022	2021
M & N Bakwerkwe Close Corporation	Brother/Sister	E Niemand	Cape Winelands District Municipality	Senior Administrator: Quotations & Tenders	12 846	50 337
Bergstan South Africa	Spouse	J Beukes	Social Development	Social Worker	-	33 250
JPCE (Pty) Ltd	Spouse	JA Minnie	City of Cape Town	Manager: Disaster Management Centre: Safety and Security Directorate	-	623 944
NCC Environmental Services Proprietary Limited	Spouse	C Rhoda	City of Cape Town	Manager	6 965 841	598 917
Masiqhame Trading 77 Close Corporation	Child	B Qxilishe	Department of Agriculture	Snr Admin officer: Dept of Agriculture, Forestry & Fisheries	32 918	62 402
	Child	S Qxilishe	Western Cape Education Department	Teacher at Du Noon		
TSCH International Holdings (Pty) Ltd	Spouse	RE Hlongwane	City of Cape Town	Manager	-	33 300
LJ Projects and Events	Spouse	L Jafta	Department of Water and Sanitation	IT Clerk	-	200 000
Piston Power Chemicals Close Corporation	Spouse	N Andhee	Department of Education	Teacher	111 332	26 520

Cape Winelands District Municipality
Financial Statements for the year ended 30 June 2022

Notes to the Financial Statements

Figures in Rand					2022	2021
Temmo's Shade Ports and Cleaning Services	Sister	T Lebesana	Transnet Port Terminals	Security	-	17 600
Jah Guide Agriculture Proprietary Limited	Spouse	G Davids	SAPS	Police Official	801 635	1 214 898
CC Davids T/A Mc Sound and Lightning	Spouse	M Davids	Witzenburg Municipality	Official	19 900	-
Neoteric Trading Services (Pty) Ltd	Spouse	AA Jacobs	Cape Agulhas Municipality	Director	52 324	-
Malherbe Tubb Faure Inc	Child	C Faure	Western Cape Education Department	Teacher	33 000	-
	Parent	P Williams	Cape Winelands District Municipality	Executive Director		
Ladybugs Innovative Marketing (Pty) Ltd	Spouse	RA Levendal	Department of Correctional Services	Environmental Health Practitioner	31 594	41 318
Zutari (Pty) Ltd	Spouse	Ahischlager, HC	Special investigating Unit	Legal Representative	-	280 955
	Spouse	Nadasen K	National Department of Public Works	Director: Key Account Management		
	Sister	Seegers, S	City of Cape Town	Head of Security Architecture		
					8 061 389	3 183 440

DC2 Cape Winelands DM - Reconciliation of Table A1 Budget Summary

Description	2021/22								2020/21			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
R thousands												
Financial Performance												
Property rates	-	-	-	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-	-	-	-
Investment revenue	39 000	2 000	41 000	40 295	-	(705)	98,3%	103,3%	-	-	-	-
Transfers recognised - operational	255 304	3 347	258 651	253 669	-	(4 982)	98,1%	99,4%	-	-	-	-
Other own revenue	132 217	(12 901)	119 316	117 640	-	(1 676)	98,6%	89,0%	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	426 521	(7 554)	418 967	411 604		(7 363)	98,2%	96,5%				
Employee costs	230 811	162	230 973	218 979	-	(11 994)	94,8%	94,9%	-	-	-	-
Remuneration of councillors	13 241	(9)	13 232	12 745	-	(487)	96,3%	96,3%	-	-	-	-
Debt impairment	500	(380)	120	113	-	(7)	94,1%	22,6%	-	-	-	-
Depreciation & asset impairment	7 793	2 083	9 876	9 801	-	(75)	99,2%	125,8%	-	-	-	-
Finance charges	-	-	-	-	-	-	-	-	-	-	-	-
Materials and bulk purchases	23 688	(101)	23 587	21 452	-	(2 134)	91,0%	90,6%	-	-	-	-
Transfers and grants	20 421	(1 767)	18 654	16 988	-	(1 666)	91,1%	83,2%	-	-	-	-
Other expenditure	131 024	(7 291)	123 733	96 892	-	(26 841)	78,3%	73,9%	-	-	-	-
Total Expenditure	427 477	(7 302)	420 175	376 971		(43 205)	89,7%	88,2%				
Surplus/(Deficit)	(956)	(252)	(1 208)	34 633		35 841	-2866,6%	-3621,9%				
Transfers recognised - capital	956	252	1 208	54	-	(1 154)	4,5%	5,7%	-	-	-	-
Contributions recognised - capital & contributed assets	-	-	-	929	-	929	#DIV/0!	#DIV/0!	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	-	-	35 616		35 616	#DIV/0!	#DIV/0!				
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	-	-	-	35 616		35 616	#DIV/0!	#DIV/0!				
Capital expenditure & funds sources												
Capital expenditure												
Transfers recognised - capital	956	252	1 208	54	-	(1 154)	4,5%	5,7%	-	-	-	-
Public contributions & donations	-	-	-	929	-	929	#DIV/0!	#DIV/0!	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	67 882	(53 583)	14 299	2 150	-	(12 149)	15,0%	3,2%	-	-	-	-
Total sources of capital funds	68 838	(53 331)	15 507	3 133		(12 374)	20,2%	4,6%				
Cash flows												
Net cash from (used) operating	89 303	(40 556)	48 747	29 344	-	(19 404)	60,2%	32,9%	-	-	-	-
Net cash from (used) investing	(68 838)	53 377	(15 461)	(5 168)	-	10 293	33,4%	7,5%	-	-	-	-
Net cash from (used) financing	-	(20)	20	-	-	20	-	-	-	-	-	-
Cash/cash equivalents at the year end	737 457	61 962	799 420	790 329		(9 091)	98,9%	107,2%				

DC2 Cape Winelands DM - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Description	2021/22								2020/21			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Revenue - Standard												
Governance and administration	297 058	1 072	298 130	297 069		(1 060)	99,6%	100,0%				-
Executive and council	52 826	1 174	54 000	52 333		(1 667)	96,9%	99,1%				
Budget and treasury office	243 647	46	243 693	243 456		(237)	99,9%	99,9%				
Corporate services	585	(148)	436	1 280		844	293,3%	218,9%				
Community and public safety	3 172	1 510	4 682	3 316		(1 366)	70,8%	104,5%				-
Community and social services	2 399	464	2 863	2 394		(469)	83,6%	99,8%				
Sport and recreation	-	-	-	-		-	-	-				
Public safety	120	1 046	1 166	183		(983)	15,7%	152,3%				
Housing	-	-	-	-		-	-	-				
Health	653	-	653	740		87	113,3%	113,3%				
Economic and environmental services	127 197	(9 833)	117 364	112 202		(5 162)	95,6%	88,2%				-
Planning and development	5 686	2 200	7 886	4 071		(3 815)	51,6%	71,6%				
Road transport	121 511	(12 033)	109 478	108 131		(1 347)	98,8%	89,0%				
Environmental protection	-	-	-	-		-	-	-				
Trading services	-	-	-	-		-	-	-				-
Electricity	-	-	-	-		-	-	-				
Water	-	-	-	-		-	-	-				
Waste water management	-	-	-	-		-	-	-				
Waste management	-	-	-	-		-	-	-				
Other	50	(50)	-	-		-	-	-				
Total Revenue - Standard	427 477	(7 302)	420 175	412 587		(7 588)	98,2%	96,5%				-
Expenditure - Standard												
Governance and administration	135 171	1 354	136 525	123 837	-	(12 689)	90,7%	91,6%	-	-	-	-
Executive and council	41 234	4 124	45 357	44 954	-	(403)	99,1%	109,0%				
Budget and treasury office	29 325	(1 494)	27 831	23 045	-	(4 786)	82,8%	78,6%				
Corporate services	64 613	(1 276)	63 336	55 837	-	(7 499)	88,2%	86,4%				
Community and public safety	124 382	7 178	131 560	118 705	-	(12 855)	90,2%	95,4%	-	-	-	-
Community and social services	20 978	(403)	20 575	18 101	-	(2 475)	88,0%	86,3%				
Sport and recreation	-	-	-	-	-	-	-	-				
Public safety	62 811	8 274	71 085	63 205	-	(7 880)	88,9%	100,6%				
Housing	-	-	-	-	-	-	-	-				
Health	40 593	(694)	39 899	37 399	-	(2 500)	93,7%	92,1%				
Economic and environmental services	159 591	(15 167)	144 425	127 800	-	(16 625)	88,5%	80,1%	-	-	-	-
Planning and development	31 378	(1 452)	29 926	23 161	-	(6 765)	77,4%	73,8%				
Road transport	128 214	(13 714)	114 499	104 639	-	(9 861)	91,4%	81,6%				
Environmental protection	-	-	-	-	-	-	-	-				
Trading services	-	-	-	-	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-				
Water	-	-	-	-	-	-	-	-				
Waste water management	-	-	-	-	-	-	-	-				
Waste management	-	-	-	-	-	-	-	-				
Other	8 332	(667)	7 665	6 629	-	(1 036)	86,5%	79,6%				
Total Expenditure - Standard	427 477	(7 302)	420 175	376 971	-	(43 205)	89,7%	88,2%	-	-	-	-
Surplus/(Deficit) for the year	-	-	-	35 616	-	35 616	#DIV/0!	#DIV/0!	-	-	-	-

DC2 Cape Winelands DM - Reconciliation of Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2021/22								2020/21			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Revenue by Vote												
Vote 1 - REGIONAL DEVELOPMENT AND PLAN	50	(50)	-	-		-	-	-				
Vote 2 - COMM AND DEV	3 096	1 341	4 437	3 275		(1 162)	73,8%	105,8%				
Vote 3 - ENGINEERING	6 586	822	7 409	3 121		(4 288)	42,1%	47,4%				
Vote 4 - RURAL AND SOCIAL	76	169	245	41		(204)	16,8%	54,1%				
Vote 5 - OFFICE OF THE MM	-	2 200	2 200	2 000		(200)	90,9%	#DIV/0!				
Vote 6 - FINANCIAL SERVICES	243 647	46	243 693	243 456		(237)	99,9%	99,9%				
Vote 7 - CORPORATE SERVICES	53 411	1 026	54 437	53 613		(823)	98,5%	100,4%				
Vote 8 - ROADS AGENCY	120 611	(12 856)	107 755	107 081		(675)	99,4%	88,8%				
Vote 9 - TASK	-	-	-	-		-	-	-				
Vote 10 - HEALTH AGENCY	-	-	-	-		-	-	-				
Vote 11 - CORPORATE SERVICES	-	-	-	-		-	-	-				
Example 12 - Vote12	-	-	-	-		-	-	-				
Example 13 - Vote13	-	-	-	-		-	-	-				
Example 14 - Vote14	-	-	-	-		-	-	-				
Example 15 - Vote15	-	-	-	-		-	-	-				
Total Revenue by Vote	427 477	(7 302)	420 175	412 587		(7 588)	98,2%	96,5%				-
Expenditure by Vote to be appropriated												
Vote 1 - REGIONAL DEVELOPMENT AND PLAN	18 390	(1 385)	17 006	15 399		(1 607)	90,5%	83,7%				
Vote 2 - COMM AND DEV	111 949	7 975	119 923	107 959		(11 964)	90,0%	96,4%				
Vote 3 - ENGINEERING	42 543	(4 793)	37 751	27 999		(9 752)	74,2%	65,8%				
Vote 4 - RURAL AND SOCIAL	12 434	(797)	11 637	10 746		(891)	92,3%	86,4%				
Vote 5 - OFFICE OF THE MM	14 940	863	15 803	14 127		(1 676)	89,4%	94,6%				
Vote 6 - FINANCIAL SERVICES	29 325	(1 494)	27 831	23 045		(4 786)	82,8%	78,6%				
Vote 7 - CORPORATE SERVICES	69 481	4 414	73 895	70 483		(3 412)	95,4%	101,4%				
Vote 8 - ROADS AGENCY	121 651	(12 298)	109 353	101 827		(7 525)	93,1%	83,7%				
Vote 9 - TASK	-	-	-	-		-	-	-				
Vote 10 - HEALTH AGENCY	-	-	-	-		-	-	-				
Vote 11 - CORPORATE SERVICES	6 764	213	6 977	5 386		(1 592)	77,2%	79,6%				
Example 12 - Vote12	-	-	-	-		-	-	-				
Example 13 - Vote13	-	-	-	-		-	-	-				
Example 14 - Vote14	-	-	-	-		-	-	-				
Example 15 - Vote15	-	-	-	-		-	-	-				
Total Expenditure by Vote	427 477	(7 302)	420 175	376 971	-	(43 205)	89,7%	88,2%	-	-	-	-
Surplus/(Deficit) for the year	-	-	-	35 616	-	35 616	#DIV/0!	#DIV/0!	-	-	-	-

DC2 Cape Winelands DM - Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2021/22								2020/21			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Revenue By Source												
Property rates	-	-	-	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	240	-	240	229	-	(11)	95,4%	95,4%	-	-	-	-
Interest earned - external investments	39 000	2 000	41 000	40 295	-	(705)	98,3%	103,3%	-	-	-	-
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits	653	-	653	740	-	87	113,3%	113,3%	-	-	-	-
Agency services	119 505	(12 062)	107 443	106 980	-	(464)	99,6%	89,5%	-	-	-	-
Transfers recognised - operational	255 304	3 347	258 651	253 669	-	(4 982)	98,1%	99,4%	-	-	-	-
Other revenue	11 819	(840)	10 980	9 691	-	(1 289)	88,3%	82,0%	-	-	-	-
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	426 521	(7 554)	418 967	411 604		(7 363)	98,2%	96,5%				-
Expenditure By Type												
Employee related costs	230 811	162	230 973	218 979	-	(11 994)	94,8%	94,9%	-	-	-	-
Remuneration of councillors	13 241	(9)	13 232	12 745	-	(487)	96,3%	96,3%	-	-	-	-
Debt impairment	500	(380)	120	113	-	(7)	94,1%	22,6%	-	-	-	-
Depreciation & asset impairment	7 793	2 083	9 876	9 801	-	(75)	99,2%	125,8%	-	-	-	-
Finance charges	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	23 688	(101)	23 587	21 452	-	(2 134)	91,0%	90,6%	-	-	-	-
Contracted services	54 488	(698)	53 790	33 225	-	(20 565)	61,8%	61,0%	-	-	-	-
Transfers and grants	20 421	(1 767)	18 654	16 988	-	(1 666)	91,1%	83,2%	-	-	-	-
Other expenditure	76 525	(6 728)	69 796	63 535	-	(6 261)	91,0%	83,0%	-	-	-	-
Loss on disposal of PPE	12	135	147	132	-	(15)	90,1%	1103,9%	-	-	-	-
Total Expenditure	427 477	(7 302)	420 175	376 971	-	(43 205)	89,7%	88,2%	-	-	-	-
Surplus/(Deficit)	(956)	(252)	(1 208)	34 633		35 841	-2866,6%	-3621,9%				-
Transfers recognised - capital	956	252	1 208	54	-	(1 154)	4,5%	5,7%	-	-	-	-
Contributions recognised - capital	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	929	-	929	#DIV/0!	#DIV/0!	-	-	-	-
	-	-	-	35 616	-	35 616	#DIV/0!	#DIV/0!	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions												
Taxation	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation												
Attributable to minorities	-	-	-	35 616	-	35 616	#DIV/0!	#DIV/0!	-	-	-	-
Surplus/(Deficit) attributable to municipality												
Share of surplus/ (deficit) of associate	-	-	-	35 616	-	35 616	#DIV/0!	#DIV/0!	-	-	-	-
Surplus/(Deficit) for the year	-	-	-	35 616		35 616	#DIV/0!	#DIV/0!				-

DC2 Cape Winelands DM - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	2021/22							2020/21				
	Original Budget	Total Budget Adjustments (i.e. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Capital expenditure - Vote												
Multi-year expenditure												
Vote 1 - REGIONAL DEVELOPMENT AND PLAN	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - COMM AND DEV	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - ENGINEERING	27 000	(26 800)	200	-	-	(200)	-	-	-	-	-	-
Vote 4 - RURAL AND SOCIAL	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - OFFICE OF THE MM	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - FINANCIAL SERVICES	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - CORPORATE SERVICES	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - ROADS AGENCY	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - TASK	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - HEALTH AGENCY	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - CORPORATE SERVICES	-	-	-	-	-	-	-	-	-	-	-	-
Example 12 - Vote12	-	-	-	-	-	-	-	-	-	-	-	-
Example 13 - Vote13	-	-	-	-	-	-	-	-	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure	27 000	(26 800)	200	-	-	(200)	-	-	-	-	-	-
Single-year expenditure												
Vote 1 - REGIONAL DEVELOPMENT AND PLAN	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - COMM AND DEV	27 538	(20 618)	6 920	1 031	-	(5 889)	15%	4%	-	-	-	-
Vote 3 - ENGINEERING	9 253	(3 353)	5 899	568	-	(5 331)	10%	6%	-	-	-	-
Vote 4 - RURAL AND SOCIAL	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - OFFICE OF THE MM	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - FINANCIAL SERVICES	-	124	124	83	-	(41)	67%	#DIV/0!	-	-	-	-
Vote 7 - CORPORATE SERVICES	4 091	(1 894)	2 197	1 392	-	(805)	63%	34%	-	-	-	-
Vote 8 - ROADS AGENCY	956	(794)	162	54	-	(108)	33%	6%	-	-	-	-
Vote 9 - TASK	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - HEALTH AGENCY	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - CORPORATE SERVICES	-	4	4	4	-	(0)	100%	#DIV/0!	-	-	-	-
Example 12 - Vote12	-	-	-	-	-	-	-	-	-	-	-	-
Example 13 - Vote13	-	-	-	-	-	-	-	-	-	-	-	-
Example 14 - Vote14	-	-	-	-	-	-	-	-	-	-	-	-
Example 15 - Vote15	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure	41 838	(26 531)	15 307	3 133	-	(12 174)	20%	7%	-	-	-	-
Total Capital Expenditure - Vote	68 838	(53 331)	15 507	3 133	-	(12 374)	20%	5%	-	-	-	-
Capital Expenditure - Standard												
Governance and administration	8 846	(2 061)	6 786	1 847	-	(4 938)	27%	21%	-	-	-	-
Executive and council	-	4	4	4	-	(0)	100%	#DIV/0!	-	-	-	-
Budget and treasury office	-	124	124	83	-	(41)	67%	#DIV/0!	-	-	-	-
Corporate services	8 846	(2 189)	6 657	1 760	-	(4 897)	26%	20%	-	-	-	-
Community and public safety	27 538	(20 618)	6 920	1 031	-	(5 889)	15%	4%	-	-	-	-
Community and social services	8 415	(8 278)	137	193	-	56	141%	2%	-	-	-	-
Sport and recreation	19 088	(12 352)	6 736	792	-	(5 944)	12%	4%	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-	-
Housing	36	11	47	47	-	(0)	100%	131%	-	-	-	-
Economic and environmental services	32 454	(30 652)	1 802	255	-	(1 547)	14%	1%	-	-	-	-
Planning and development	31 498	(29 892)	1 606	201	-	(1 405)	12%	1%	-	-	-	-
Road transport	956	(760)	196	54	-	(142)	28%	6%	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-
Trading services	-	-	-	-	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-	-	-	-
Waste management	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	68 838	(53 331)	15 507	3 133	-	(12 374)	20%	5%	-	-	-	-
Funded by:												
National Government	-	-	-	-	-	-	-	-	-	-	-	-
Provincial Government	956	252	1 208	54	-	(1 154)	4%	6%	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	956	252	1 208	54	-	(1 154)	4%	6%	-	-	-	-
Public contributions & donations	-	-	-	929	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	67 882	(53 583)	14 299	2 150	-	(12 149)	15%	3%	-	-	-	-
Total Capital Funding	68 838	(53 331)	15 507	3 133	-	(12 374)	20%	5%	-	-	-	-

DC2 Cape Winelands DM - Reconciliation of Table A7 Budgeted Cash Flows

Description	2021/22							2020/21
	Original Budget	Budget Adjustments (i.i.o. s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Ratepayers and other	132 217	896	133 114	86 558	(46 556)	65,0%	65,5%	
Government - operating	255 304	2 020	257 324	253 284	(4 040)	98,4%	99,2%	
Government - capital	956	(794)	162	-	(162)	-	-	
Interest	39 000	2 000	41 000	34 764	(6 236)	84,8%	89,1%	
Dividends	-	-	-	-	-	-	-	
Payments								
Suppliers and employees	(323 057)	(47 251)	(370 308)	(328 275)	42 033	88,6%	101,6%	
Finance charges	-	-	-	-	-	-	-	
Transfers and Grants	(15 118)	2 573	(12 545)	(16 988)	(4 444)	135,4%	112,4%	
NET CASH FROM/(USED) OPERATING ACTIVITIES	89 303	(40 556)	48 747	29 344	(19 404)	60,2%	32,9%	-
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	-	46	46	46	0	100,0%	#DIV/0!	
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	
Payments								
Capital assets	(68 838)	53 331	(15 507)	(5 214)	10 293	33,6%	7,6%	
NET CASH FROM/(USED) INVESTING ACTIVITIES	(68 838)	53 377	(15 461)	(5 168)	10 293	33,4%	7,5%	-
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	-	-	-	-	-	-	-	
Borrowing long term/refinancing	-	-	-	-	-	-	-	
Increase (decrease) in consumer deposits	-	(20)	(20)	-	20	-	-	
Payments								
Repayment of borrowing	-	-	-	-	-	-	-	
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	(20)	(20)	-	20	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD	20 465	12 801	33 266	24 175				-
Cash/cash equivalents at the year begin:	716 993	49 161	766 154	766 154				
Cash/cash equivalents at the year end:	737 457	61 962	799 420	790 329	(9 091)	98,9%	107,2%	

ANNEXURE “B”

DISCLOSURE OF BENEFITS IN TERMS OF THE LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT 32 of 2000

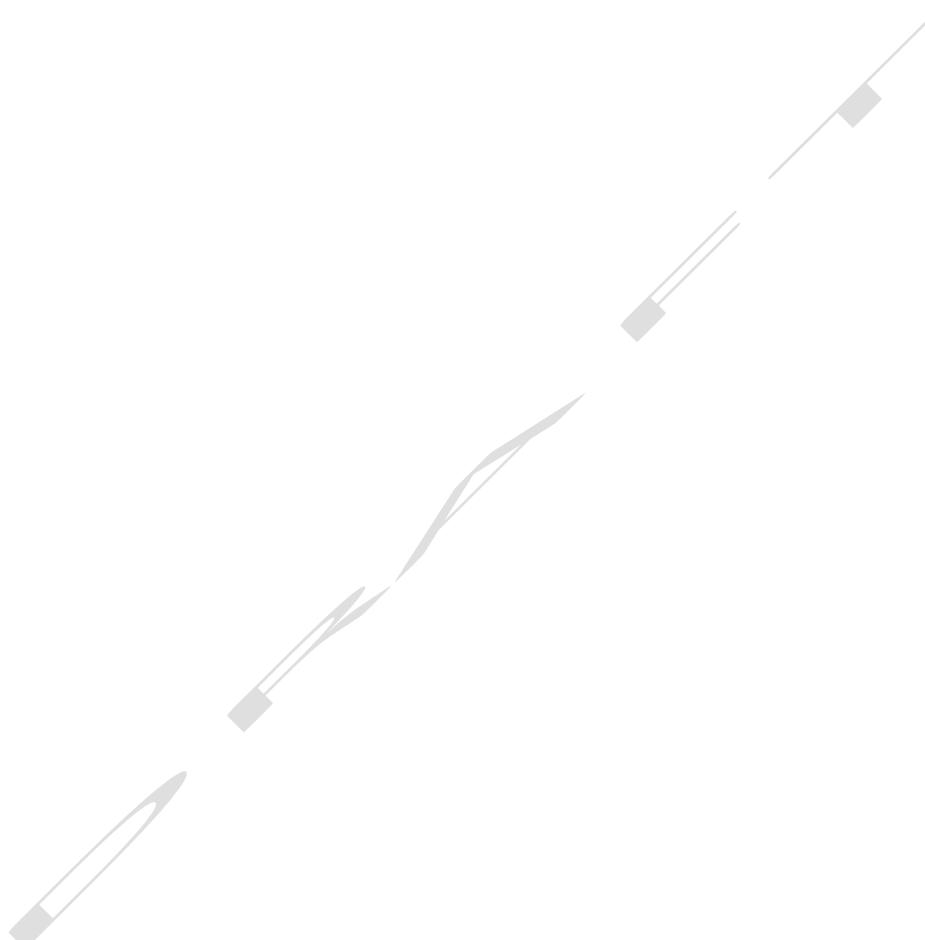
In terms of **Schedule 1. 5(2)** A councillor who, or whose spouse, partner, business associate or close family member, acquired or stands to acquire any direct benefit from a contract concluded with the municipality, must disclose full particulars of the benefit of which the councillor is aware at the first meeting of the municipal council at which it is possible for the councillor to make the disclosure; and

In terms of **Schedule 2. 5(1)** A staff member of a municipality who, or whose spouse, partner, business associate or close family member, acquired or stands to acquire any direct benefit from a contract concluded with the municipality, must disclose in writing full particulars of the benefit to the council.

BENEFICIARY	RELATIONSHIP	DETAIL (INDIRECT RELATION)	THIRD PARTY CONNECTION	2022	2021
Johan Carinus Familie Trust	Close family member	CLR. GJ Carinus	Johan George Carinus	-	36 000
				-	36 000

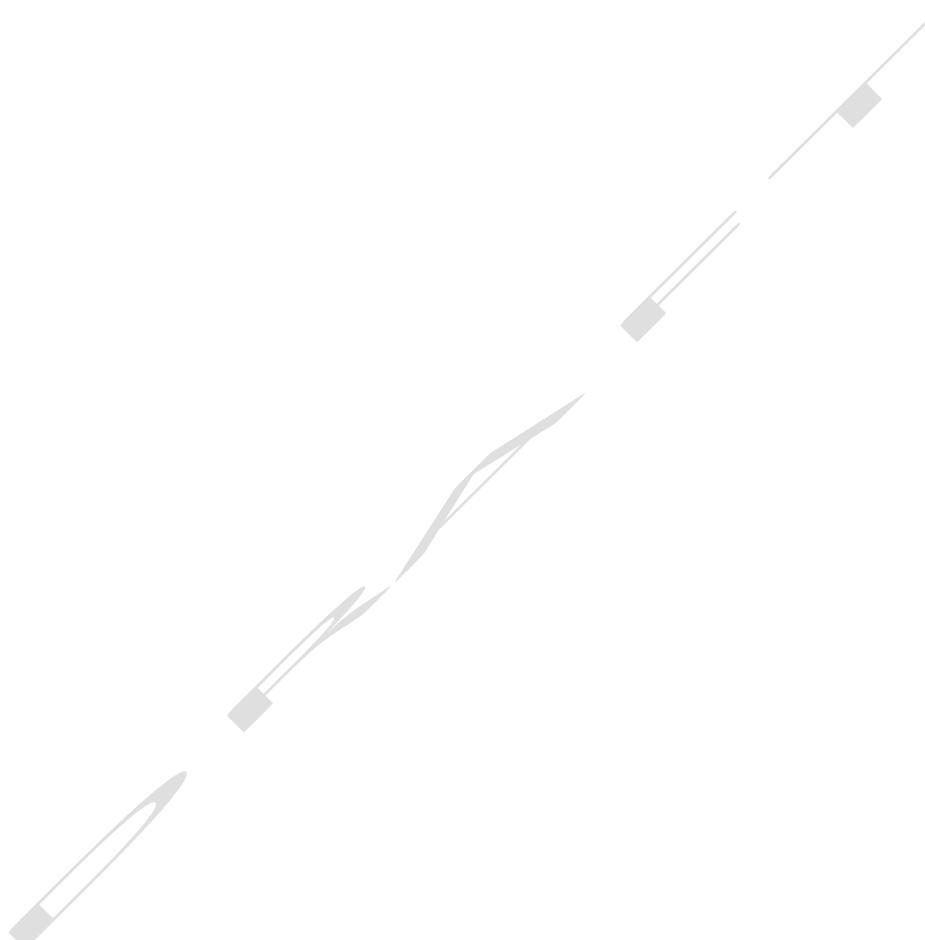
Necessary internal controls are implemented to consider the possibility, and to assess the likelihood, that a relationship between key management and councillors of the Municipality and related parties of suppliers with whom the Municipality does business with, would be able to influence a contract concluded by the Municipality in their mutual dealings, as envisaged in Schedules 1 par.5(2) and 2 par.5.1 of the Municipal Systems Act.

CHAPTER 8 – AUDIT COMMITTEE REPORT



CHAPTER 9 – OVERSIGHT REPORT AND COUNCIL APPROVAL

TO BE INCLUDED IN MARCH 2023



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> <ul style="list-style-type: none"> (a) <i>one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i> (b) <i>which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.</i>

APPENDICES

APPENDIX A – COUNCILLORS’ COMMITTEE AND COUNCIL ATTENDANCE

1 JULY 2021 TO 30 NOVEMBER 2021

COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE				
Council Members	Full-time (FT)/ Part-time (PT)	Committees allocated	Ward and/or party represented	Council meetings attended (3 meetings held for the financial year)
Cllr WM Blom	PT	Ambassador for Persons with Disabilities	DA	2
Cllr MN Bushwana	PT	None	ANC	3
Cllr GJ Carinus	FT	Mayoral Committee Local Labour Forum	DA	2
Ald A Crombie	PT	Local Labour Forum (Alternate) Municipal Public Accounts Committee	DA	3
Cllr C Damens	PT	None	DA	3
Cllr P Daniëls	PT	Municipal Public Accounts Committee (Alternate)	DA	3
Ald JJ du Plessis	FT	Mayoral Committee Annual Performance Evaluation Panel (Managers directly accountable to the Municipal Manager)	DA	2
Cllr R du Toit	PT	Municipal Public Accounts Committee Training Committee (Alternate)	DA	3
Cllr GJ Fredericks	PT	Municipal Public Accounts Committee	DA	3
Cllr A Florence	FT	Mayoral Committee	DA	3
Cllr DD Joubert Single Whip of Council	FT	Mayoral Committee Local Labour Forum (Alternate)	DA	3
Cllr X Kalipa	PT	Municipal Public Accounts Committee	DA	3
Cllr MT Klaas	PT	Municipal Public Accounts Committee Training Committee (Alternate)	EFF	1
Cllr J Kriel	PT	None	DA	3
Ald L Landu	FT	Mayoral Committee	DA	1

COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE				
Council Members	Full-time (FT)/ Part-time (PT)	Committees allocated	Ward and/or party represented	Council meetings attended (3 meetings held for the financial year)
		Rules Committee		
Cllr SS Magqazana	PT	Municipal Public Accounts Committee	DA	1
Cllr ZL Masoka	PT	Municipal Public Accounts Committee	DA	2
Ald C Meyer (Speaker)	FT	Rules Committee	DA	3
Cllr JS Mouton	PT	Municipal Public Accounts Committee (Alternate)	ANC	2
Cllr RS Nalumango	PT	None	ANC	1
Cllr LW Niehaus	FT	Mayoral Committee	DA	3
Cllr BB Ntshingila	PT	Municipal Public Accounts Committee Rules Committee	ANC	2
Ald LN Qoba	PT	Municipal Public Accounts Committee	ANC	2
Cllr E Qhankqiso	PT	Municipal Public Accounts Committee (Alternate)	DA	2
Cllr PC Ramokhabi	FT	Mayoral Committee Training Committee Local Labour Forum	DA	3
Cllr SC Rens	PT	Municipal Public Accounts Committee (Alternate)	ANC	2
Cllr LS Sambokwe	PT	Local Labour Forum (Alternate)	ANC	3
Cllr ND Sauerman	PT	None	DA	3
Ald JW Schuurman	PT	Local Labour Forum	ANC	3
Cllr AJ Shibili	PT	None	ANC	0
Cllr J Smit	PT	None	DA	2
Cllr DRA Snyders	PT	Training Committee Rules Committee Municipal Public Accounts Committee (Alternate)	EFF	3
Cllr C Steyn	PT	Municipal Public Accounts Committee (Alternate)	DA	3
Cllr D Swart (Deputy Executive Mayor)	FT	Mayoral Committee	DA	3
Cllr N Tetana	PT	Municipal Public Accounts Committee (Alternate)	ANC	0
Cllr JJ van Rooyen	PT	Municipal Public Accounts Committee	ANC	1
Ald JDF van Zyl	FT	Mayoral Committee	DA	2

COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE

Council Members	Full-time (FT)/ Part-time (PT)	Committees allocated	Ward and/or party represented	Council meetings attended (3 meetings held for the financial year)
Cllr W Vrolick	PT	Municipal Public Accounts Committee (Alternate)	DA	2
Ald (Dr) H von Schlicht (Executive Mayor)	FT	Mayoral Committee Annual Performance Evaluation Panel (Managers directly accountable to the Municipal Manager)	DA	3
Cllr. T.M. Wehr	PT	None	DA	2
Cllr CF Wilskut	PT	Rules Committee	BO	1

1 DECEMBER TO CURRENT

COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE				
Council Members	Full-time (FT)/ Part-time (PT)	Committees allocated	Ward and/or party represented	Council meetings attended (3 meetings held for the financial year)
Cllr EG Arendse	PT	Municipal Public Accounts Committee	GOOD	3
Cllr WM Blom	FT	Whip of Council Ambassador for Persons with Disabilities Rules Committee	DA	4
Cllr MN Bushwana	PT	None	ANC	3
Cllr GJ Carinus	FT	Mayoral Committee	DA	4
Cllr P Daniels	PT	None	DA	4
Cllr AJ du Plessis	PT	Local Labour Forum Rules Committee Paarl Museum Municipal Public Accounts Committee (Alternate)	VF+	4
Ald R Farao	FT	Mayoral Committee Local Labour Forum Training Committee Worcester Museum	DA	3
Cllr GJ Fredericks	PT	Municipal Public Accounts Committee (Alternate)	DA	4
Ald S Goedeman	FT	Municipal Public Accounts Committee Local Labour Forum (Alternate)	DA	4
Cllr E Groenewald	FT	Mayoral Committee Training Committee Local Labour Forum	DA	4
Cllr V Hani	PT	Stellenbosch Museum	ANC	3
Cllr F Jacobs	PT	Training Committee (Alternate) Municipal Public Accounts Committee	DA	3
Cllr DB Janse	PT	Municipal Public Accounts Committee Robertson Museum	DA	4
Cllr JJS Januarie	PT	None	ANC	3
Cllr CO Klaaste	PT	None	ANC	4
Ald DD Joubert	FT	Mayoral Committee	DA	4

COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE				
Council Members	Full-time (FT)/ Part-time (PT)	Committees allocated	Ward and/or party represented	Council meetings attended (3 meetings held for the financial year)
(Speaker)		Rules Committee		
Cllr J Kriel	PT	Municipal Public Accounts Committee	DA	4
Ald L Landu	PT	None	DA	1
Cllr MS Liebenberg	PT	Rules Committee Oude Kerk Volksmuseum van 't Land van Waveren (Tulbagh)	PA	4
Cllr J Maliti	PT	Local Labour Forum (Alternate)	ANC	3
Cllr C Manuel	PT	Huguenot Memorial Museum (Franschhoek) Municipal Public Accounts Committee	DA	4
Cllr XL Mdemka	FT	Mayoral Committee	DA	4
Ald C Meyer	FT	Mayoral Committee Rules Committee	DA	4
Cllr TR Mpulanyana	PT	Municipal Public Accounts Committee	ANC	4
Cllr RS Nalumango	PT	Municipal Public Accounts Committee (Alternate)	ANC	3
Cllr DW Nel	PT	Municipal Public Accounts Committee	VF+	4
Cllr L Ngwane	PT	Local Labour Forum (Alternate) Rules Committee Togryers Museum (Ceres)	EFF	4
Cllr AJ Pedro	PT	Rules Committee Municipal Public Accounts Committee (Alternate)	GOOD	4
Cllr N Phatsoane	PT	None	ANC	2
Cllr WC Petersen	FT	Mayoral Committee	DA	4
Cllr AM Richards	PT	Municipal Public Accounts Committee (Alternate)	ANC	3
Ald M Sampson (Deputy Executive Mayor)	FT	Mayoral Committee	DA	3
Cllr ND Sauerman	PT	Wellington Museum Municipal Public Accounts Committee (Alternate)	DA	3
Cllr J Smit	PT	Municipal Public Accounts Committee (Alternate)	DA	4
Cllr M Smit	PT	Montagu Museum	DA	4

COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE				
Council Members	Full-time (FT)/ Part-time (PT)	Committees allocated	Ward and/or party represented	Council meetings attended (3 meetings held for the financial year)
		Municipal Public Accounts Committee (Alternate)		
Cllr JHP Steyn	FT	Mayoral Committee	DA	3
Cllr D Swart	FT	Mayoral Committee	DA	4
Cllr M van Stade	PT	Local Labour Forum	GOOD	4
Ald (Dr) H von Schlicht (Executive Mayor)	FT	Mayoral Committee Annual Performance Evaluation Panel (Managers directly accountable to the Municipal Manager)	DA	4
Cllr CF Wilskut	PT	Rules Committee	BO	1
Cllr MH Yabo	PT	Training Committee (Alternate) Rules Committee Municipal Public Accounts Committee	ANC	3P

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; (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.

COMMITTEES (OTHER THAN MAYORAL / EXECUTIVE COMMITTEE) AND PURPOSES OF COMMITTEES

Municipal Committees	Purpose of Committee
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 2022		
Directorate	Position	Name
Office of the Municipal Manager	Director: IDP, Performance and Risk Management	BT Daries
	Chief Audit Executive	S Green
	Deputy Director: Communication Services	EJ Otto
	Deputy Director: Legal Services	WM Neethling
Financial and Strategic Support Services	Director: Budget and Treasury Office	MJ Lesch
	Director: Human Resources	GCN Julie
	Director: Support Services	K Smit
Community Development and Planning Services	Deputy Director: Socio-Economic Development	RWB van Wyk
	Deputy Director: Town and Regional Planning	QJ Balie
	Chief Fire Officer	W Josias
	Head of Municipal Disaster Management Centre	SP Minnies
	Deputy Director: Municipal Health Services	RJ Humphreys
Technical Services	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	H Maart

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 2021/2022

TO BE UPDATED AT A LATER STAGE

MUNICIPAL PERFORMANCE AND AUDIT COMMITTEE RECOMMENDATIONS		
Date of committee	Committee recommendations during year	Comments

APPENDIX F – DISCLOSURES OF FINANCIAL INTERESTS

TO BE UPDATED AT A LATER STAGE

COUNCILLORS OF CAPE WINELANDS DISTRICT MUNICIPALITY

	Title	Initials	Surname	Name	Employee #
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					

	Title	Initials	Surname	Name	Employee #
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					

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 (e.g. construction, consultancy, etc.)	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

PARTNERSHIPS

Councillor's Name	Pay No.	Name of company/ institution/ organisation	Type of business activity	Registration Number (Not applicable for non-owners)	Details of ownership (% of share-holding) or membership	Remuneration received from directorship/ membership (per annum)	Does the Organisation do business with CWDM?	
							YES	NO
Kriel, Jacques	20091	Wilkleei Boerdery	Landbou	N/A	50	R200.000.00		X

OTHER FINANCIAL INTERESTS IN ANY BUSINESS UNDERTAKING

Councillor's Name	Pay No.	Name of business undertaking	Type of business	Remuneration received from undertaking (per annum)	Does the undertaking do business with CWDM?		Does the undertaking do business with CWDM's Vendors?		Who is primary client?
					YES	NO	YES	NO	

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	Derdeheuvel			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, Jacques	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	2020/2021	2021/2022			2021/2022 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
Budget And Treasury Office	-	-	-	-	#DIV/0!	#DIV/0!
Buildings: Maintenance	251.558.78	244.000.00	244.000.00	250.204.55	-3%	-3%
Disaster Management	2.134.550.00	2.323.000.00	2.617.601.00	2.352.760.70	-1%	10%
Expenditure	236.433.716.38	242.596.000.00	242.596.000.00	242.609.222.93	0%	0%
Finance Management	-	800.00	46.887.00	347.84	57%	99%
Financial Management Grant	1.000.000.00	1.000.000.00	1.000.000.00	845.067.81	15%	15%
Fire Services	194.644.46	120.000.00	1.166.000.00	182.762.47	-52%	84%
Human Resources Management	380.867.71	584.800.00	436.345.00	440.006.86	25%	-1%
IDP	-	-	2.200.000.00	2.000.000.00	#DIV/0!	9%
Municipal Health Services	669.681.57	653.000.00	653.000.00	739.565.96	-13%	-13%
Roads: Main Division/ Indirect	106.257.810.35	119.655.000.00	107.593.297.00	92.963.658.22	22%	14%
Roads: Plant	213.557.85	956.200.00	162.145.00	51.136.60	95%	68%
Procurement	765.24	50.000.00	50.000.00	1.052.21	98%	98%
Projects and Housing	2.504.723.99	5.442.190.00	5.442.190.00	1.820.720.77	67%	67%
Property Management	-	-	-	840.000.00	#DIV/0!	#DIV/0!
Public Transport Regulation	952.794.54	900.000.00	1.722.456.00	670.000.01	26%	61%
Social Development	8.760.00	76.000.00	245.127.00	41.450.87	0%	83%
Sundry Expenditure of the Council	50.468.757.99	52.826.304.00	54.000.292.00	54.305.422.54	-3%	-1%
Tourism	-	-	-	-	#DIV/0!	#DIV/0!

APPENDIX G (II) – REVENUE COLLECTION PERFORMANCE BY SOURCE

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

TK.2

APPENDIX H – CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

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